LEGATION OF THE
UNITED STATES OF AMERICA

Sofia, Bulgaria.

No. 1592. January 5, 1930.

IN
DEPT OF STATE
JAN 30 30

FOR D...

768.74/291

The Honorable

The Secretary of State,

Washington

While direct negotiations between Bulgaria and Greece for the settlement of outstanding problems are still pending and while the Greek Government is resisting all efforts to cause her to relinquish any of her rights to Bulgarian reparations in favor of a reduction of the latter, relations between the two countries have been further embittered by an unfortunate incident which occured on Christmas morning. The Greek steamer "Chrysis" ran into and sank the "Varna"", the largest vessel of the small Bulgarian merchant fleet, in the Sea of Marmara with the loss of 27 lives, only five members of the crew of the "Varna" having been saved.

Bulgarian..

FILED
FEB 3 - 1930

Bulgarian newspapers, although extremely badly informed about the matter and wholly ignorant of the difficulty of sea rescues, imply that the Greek crew was drunk at the time of the collision as the result of a Christmas party on board and did nothing to save the members of the Bulgarian crew, until one of the latter gained the "Chrysis" by his own efforts and organized a rescue party which succeeded in saving five of the crew of the "Varna". It is said that the Greek vessel then sailed on leaving the remaining survivors to die of exposure in their life belts as described in the translation of an article from "Outro" of to-day's date which I

1/ have the honor to transmit, herewith. I cannot help but believe that a great deal of the Bulgarian story of Greek atrocities in this case is gross exaggeration, but no better news than the above is available and it has undoubtedly done its part to keep alive the intense hatred between the two races in so far as Bulgaria is concerned.

I have the honor to be, Sir,

Your obedient servant,

T. Kodding

T. Kodding,
Chargé d'Affaires, ai.

TK/hpk

X

Copy to E.I.C. Paris.

"Outro"
Independent.
January 5, 1930.

ENCLOSURE No. 1 ACCOMPANYING
DESPATCH No. 1592 OF Jan 1 1930
AMERICAN LEGATION, SOFIA.

"VARNA" CREW DIED OF COLD.

Constantinople, Jan. 1, 1930.

"Even the great Dante 's pen could not have been able to describe the suffering and agony of the twenty-seven victims of the "Varna" who had been tossed night and day by the waves of the sea of Marmara after the fatal day of its sinking. As their bodies commenced to be thrown ashore on the Asiatic coast it was found that most of the victims had life-belts on. Evidently they must have entertained full hope of being saved by the crew of the ship which had struck their own. No one, however, came to their rescue and they had to meet a most agonizing death, when they could have been easily saved. The Turkish medical authorities who were called to the town of Erkek, after examining the victims, declared that they had died, not by drowning, but from rupture of their hearts due to exposure to cold and to agony. They had lived more than twenty hours in the expectation of rescuing parties. It is now established that only five people of the lost ship "Varna" have been saved. All the rest together with the live stock have been lost. The Turkish authorities are doing their best for the discovery of the dead and for their burial with due ceremonies and honor."

CS/hpk

IN

LEGATION OF THE
UNITED STATES OF AMERICA

Sofia, Bulgaria.

No. 14. April 20, 1930.

MAY 8 30

FOR DISTRIBUTION - CHE...

DEPARTMENT OF STATE
MAY 8 1930
DIVISION OF
NEAR EASTERN AFFAIRS

INDEX BUREAU
768.74/292

768.74
Note
176.11

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to transmit herewith an interesting and hopeful statement made to the press by the Greek Minister in Sofia concerning the development of Greco-Bulgarian political and economic relations and Balkan relations in general.

1/

I have heard that these remarks have had a beneficial influence in strengthening the friendly feeling between the two countries.

I have the honor to be, Sir,

Your obedient servant,

Henry W. Shoemaker,

Henry W. Shoemaker,
American Minister.

HWS/k

Enclosures: (1)
As described above.

MAY 15 1930

FILED

Copies to E.I.C. Paris.

ENCLOSURE No. 1 ACCOMPANYING
DESPATCH No. 14 OF Apr 20 1930
AMERICAN LEGATION, SOFIA.

"La Bulgarie"
Official Govt. Organ.
April 10, 1930.

Statements of Mr. Dendramis, Greek Minister to "Vestnik na Vesnitziti", an after-holiday newspaper.

Greco-Bulgarian negotiations for the settlement of pending problems between the two countries are shortly to be resumed. As before, the negotiations will be conducted between the two governments simultaneously at Athens and at Sofia through the auspices of the Ministers of the two countries, Messrs. Dendramis and Kiosseivanoff.

Mr. Dendramis was kind enough to reply to the questions which were presented to him by our correspondent:

Q. "How do you estimate the political relations between Greece and Bulgaria? Have they made any progress in recent years?"

A. "A great evolution is noticeable in the political relations between Greece and Bulgaria. A tendency is noticeable in the public opinion of the two countries to forget the past. Inspired by the post-war spirit engendered by the League of Nations, the two peoples are seeking through closer collaboration and cooperation to strengthen their friendly relations in the interests of Balkan and of world peace.

"Furthermore, no political question any longer divides the two neighbors and I am convinced that with the good-will which is shown on both sides and with the support of the press which should direct public opinion, the two governments will orient their policies towards a closer understanding.

"Great progress was realized as a result of the Hague Accords. Thanks to these agreements this grave question of reparations will no longer envenom relations between the two countries as in the past, when the two governments, each defending its own national viewpoint, gave the impression of fighting for different causes, while in reality neither the one nor the other sought to do other than safeguard the interests of their respective country."

Q. "Are the economic relations between the two countries developing naturally?"

A. "Yours is an agricultural country. Ours is a commercial and maritime country. Greece requires many years before she can supply herself with goods. Your exports to Greece amount to ten times as much as she sends to Bulgaria. Meat and cereal products represent the greater part of your exports to Greece. These exchanges can be much more greatly intensified when direct communications are established between the two countries, permitting the more rapid transportation of the products of North-West Bulgaria, which will especially facilitate the opening of new outlets in Greece for your Pernik coal.

"When the negotiations which we are carrying on for the settlement of certain claims of a material nature have come to a conclusion, we will begin discussions for a definitive commercial treaty in which several clauses will provide for the in-

tensification...

tensification of economic exchanges between the two countries, and we will establish Chambers of Commerce in the principal towns of Greece and Bulgaria which will provide more frequent and closer contacts between the producers and exporters of the two countries.

"As you know, each year an International Fair is held in Saloniki, in which Bulgaria participated on one occasion, but not in 1928 or 1929. I think Bulgaria has an obvious interest in not failing to participate this year in this manifestation of inter-Balkan commerce. In my opinion it is the best way for her to propagandize her products in Greece."

Q. "What is your opinion of the general situation in the Balkans? Is a strengthening of the spirit of peace among the Balkan nations noticeable?"

A. "The general Balkan situation has greatly improved and I attribute this change to the feeling of the people, who being tired of the wars and crises which have succeeded one another, have no desire to enter into new adventures and aspire solely for order and peace which will permit them to devote themselves to their work for the development of their resources and for their economic development.

"Mr. Briand launched the happy ideal of the United States of Europe. I think that the best contribution for the realization of that ideal would be for all the Balkan nations to work for the settlement of all the difficulties which separate them and to achieve a United States of the Balkans, at least from the economic point of view, thus laying the first stone for the United States of Europe. You know that several Greek statesmen have launched the idea of convoking Inter-Balkan Conferences which would permit the participating statesmen, intellectual leaders and representatives of economic and industrial organizations to seek means for cooperation in every field of economic and political activity in the Balkan countries. This idea is making great progress in our country and I hope that we will soon be able to welcome the first Inter-Balkan Conference which will put our countries in personal contact with one another and which will cause the dissipation of many misunderstandings which divided us in the past and permit better mutual understanding."

TK/k

DOCUMENT FILE

NOTE

SEE 668.7431/10 FOR Despatch # 76

FROM Bulgaria (Shoemaker) DATED July 23, 1930.
TO NAME

1—1127 G.P.O.

768.74/293

REGARDING: Bulgaro-Greek treaty negotiations. Denunciation by Greece of trade agreement between the two countries.

FU

Sofia, Bulgaria.

No. 46. July 25, 1930.

SUBJECT: BULGARO-GREEK RELATIONS.

The Honorable

The Secretary of State

Washington

Sir:

I have the honor to inform the Department that a fillip has recently been administered to the Bulgaro-Greek negotiations relative to questions outstanding between the two states. As the Department will recall these negotiations have been dragging on somewhat listlessly for the past two years. As they concern largely questions of property rights resulting from the territorial changes following the Balkan wars and the World War, it could not be expected that they would be concluded expeditiously. Nevertheless, Greece has apparently lost patience to some extent and on July 15 it denounced the trade agreement existing between the two states.

The.....

The occasion for this action by Greece was a recent augmentation of the Bulgarian tariff schedule effected by increasing the coefficient between the gold and the paper lev. However, the point has not been lost on Bulgarians as it is generally recognized here that the action of the Greek Government is little more than an effort to exert moral pressure upon the pending negotiations.

The Bulgarian Ministry of Commerce has issued a communiqué pointing out that the augmentation of the Bulgarian tariff affects all commodities not considered prime necessities and that it is directed against no state. Therefore, according to the Ministry, this tariff increase cannot be said to constitute an essential obstacle to Greek commerce.

The Bulgarian press records the opinion that Greece should be the last to complain of measures taken by the Bulgarian Government to assure the meeting of the latter's financial obligations as Greece is one of the largest beneficiaries.

The Greek Minister for Foreign Affairs, according to the local press, has informed the Bulgarian Minister at Athens that he is not interested in the motives underlying the action of the Bulgarian Government; that the denunciation of the treaty resulted from the fact that by virtue of the increase in Bulgarian duties the agreement had become unilateral.

Whatever may have been the reasons prompting the Greek Government to denounce the commercial accord between the two states, it may be said without fear of error that this new development in Bulgaro-Greek relations has given the Bulgarian people cause to think with the result that considerable

dissatisfaction over the delay in Bulgaro-Greek negotiations is now being registered in various Bulgarian circles, particularly in commercial circles.

Newspaper comment to the effect that the existing economic situation demands the immediate liquidation of the turbid past between the two states is not unusual in Bulgaria to-day. It has been pointed out that Greece and Bulgaria are complimentary states in the matter of production and markets. The major Greek commodities affected by the increase in the Bulgarian tariff are olives and olive oil, soap and salted fish, currants and citrus fruits. Bulgaria needs these products, so says the local press, whereas in Greece there exists a potentially large market for Bulgarian cereals, lumber, beef, eggs and coal.

The "Mir" (independent centrist), while condemning the action of the Greek Government in denouncing the treaty, censures the Bulgarian Minister of Finance for not anticipating, when preparing the new tariff, such action on the part of the Greek Government. Greece, according to this journal, is one of Bulgaria's best customers and the Bulgarian Minister of Finance should have found ways of attaining his ends without disrupting a profitable and thriving business between the two states.

Notable at this time in connection with Bulgaro-Greek relations is the fact that the Bulgarian public appears little interested in controversial political subjects, but has much to say with reference to economic collaboration between the two states. This line of thought has recently been given im-

petus.....

petus by the visit to Sofia and other places in Bulgaria, including the Pernik coal mines, of 147 Greek merchants, industrialists and deputies. This visiting delegation was almost invariably entertained during three days in Sofia by local commercial and financial circles. Prominent at the entertainments were the Bulgarian Ministers for Foreign Affairs, Finance, Commerce, Agriculture and Communications.

In this connection there should be recorded the recent proposal of the Greek Parliamentary Commission on tobacco that efforts be made by the Greek Government to reach an agreement with Bulgaria and Turkey on the subject of tobacco production and marketing. It is understood that this subject was informally discussed between Greek and Bulgarian representatives at Geneva a year ago at which time Mr. Nouroff expressed the opinion that an understanding was unrealizable. More recently it has been suggested that in connection with this question there be an exchange of visits between the Ministers of Agriculture of Greece and Bulgaria.

I may add, with reference to the failure of pending Bulgaro-Greek relations to progress materially, that I have been informed by officials of the Bulgarian Foreign Office that it is felt that the Bulgarian Minister to Athens, Mr. Kalfoffvanoff, has outlived his usefulness at that post. Many local people feel the same to be the case with Mr. Dendramis, the Greek Minister at Sofia. Mr. Dendramis is about to visit Athens on leave and I understand that while

at Athens he will do his utmost to obtain a new post.

Very respectfully yours,

(SGD) HENRY W SHOEMAKER

Henry W. Shoemaker
American Minister.

File No. 710.

Copy to A.L.G. Paris.

A true copy of the signed original K

DOCUMENT FILE

NOTE

768.74

SEE 774.00/48 FOR #97

FROM Bulgaria (Shoemaker) DATED Aug.22.1930.

NAME

TO

INDEX BUREAU
768.74/294

REGARDING: proposed conference between Mr. Buroff, Bulgarian Foreign Minister, and Mr. Venizelos, Greek Prime Minister, to endeavor to reach a settlement of the Greco-Bulgarian claims dispute relating to the exchange of properties of expatriated Greek and Bulgarian subjects. Queston of new Commercial Treaty will also be discussed.

km

DOCUMENT FILE

NOTE

INDEX BUREAU
768.74 /295

SEE 033.6774/1 FOR Despatch # 151

FROM Bulgaria (Shoemaker) DATED Dec.1,1930
TO NAME

1—1127 o.f.o.

REGARDING:

Visit of Tewfik Ruchdi Bey, Turkish Minister for Foreign Affairs, to Bulgaria.

Turkish Government is anxious to see a reapproachement between Greece and Bulgaria as indicated by an article from the pen of Mahmoud Bey, which appeared several weeks ago in the semi-official MILLIET.

rm

DOCUMENT FILE

NOTE

INDEX BUREAU
768.74 /296
296

SEE 033.6774/2 FOR Despatch # 155

FROM Bulgaria (Shoemaker) DATED Dec.10,1930

TO NAME

1—1127 OPO

REGARDING:

Visit of Tewfik Ruchdi Bey, Turkish Minister for Foreign Affairs, to Bulgaria.

Believes that Tewfik Ruchdi Bey left Sofia with the tacit consent of his Bulgarian colleague to see what could be done at Athens in the way of a settlement of the outstanding questions between Bulgaria and Greece.

rm

Sofia, Bulgaria, December 10, 1930.

No.136 CONFIDENTIAL

Subject: VISIT OF TEWFIK RUCHDI BEY.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to inform the Department, in continuation of my despatch No.151 of December 1, 1930, that Tewfik Ruchdi Bey, the Turkish Minister for Foreign Affairs, arrived in Sofia on the evening of December 1, proceeding on his way to Constantinople and Ankara on the evening of December 3.

During his two days' visit to Sofia, Tewfik Ruchdi Bey had conversations with the Bulgarian Prime Minister, the Minister for Foreign Affairs, the President of the

Sobranje

Sobranje, and with leading deputies and certain of the foreign diplomats. He was also received by the King. Upon the departure of the Turkish Minister, the Bulgarian Government issued the following communiqué:

> "In the course of their various conversations the two ministers (Bouroff and Tewfik Ruchdi Bey) were able to verify to their entire satisfaction the relations of friendship and complete confidence which so happily exist between the two countries. They were also able to ascertain that their views with reference to a foreign policy calculated to assure by pacific means the peaceful development and complete independence of their countries, are identical, as are also their views with reference to the realization of the aims of this policy. Lastly, the two ministers exchanged views on the utility of more active collaboration between the two countries in economic and cultural fields".

In his interview with the representatives of the Sofia and the foreign press, Tewfik Ruchdi Bey stated, as he had previously done in Rome, that it is the Turkish view that peace in the Balkans can be assured only by the existence of a strong, independent Bulgaria. He explained that Turkey desires to consolidate its friendship with Bulgaria, and that therefore he had seized the first opportunity for a personal exchange of political views with Bulgarian officials. Political measures, according to the Turkish Minister for Foreign Affairs, are too prone to group states into opposing camps. The formation of such camps was the pre-war method of conducting foreign relations, but a new conception with reference to relations between states exists today. Today there is a new class of states, i.e., those that wish to be on good terms with all, and especially with their neighbors. This new conception in the field of foreign relations has given rise to the need for new methods in the conduct of those relations. One of these, the Treaty of neutrality, has given excellent results.

Regional

Regional rapprochements will facilitate general rapprochement. In concluding Tewfik Ruchdi Bey told the representatives of the press that he was happy both for personal and political reasons to be in Sofia. "With the friendship which exists between us, the establishment of personal contact between those charged with the affairs of state is useful".

The Bulgarian Press of all political persuasions welcomed Tewfik Ruchdi Bey's visit with enthusiasm. Needless to say the visit evoked considerable press comment on Bulgarian foreign policy. Most typical of such comment was perhaps that of RADICAL, which said: "Bulgaria has only one policy - it is the policy of peace and friendship with all states, near and far. But this policy does not exclude the energetic defense of all the legitimate interests of the Bulgarian Nation. That is a right that belongs to all independent states".

Some have seen in the visit of the Turkish Minister for Foreign Affairs a further step in the creation of a "revisionist group" led by Italy, Germany, and Russia and supported by Turkey, Greece, Bulgaria and Hungary. For example, the Polish Minister said to me the day of the arrival of Tewfik Ruchdi Bey that he presumed that I was well aware of the fact that the Turkish Foreign Minister was coming to Sofia in the interest of such a grouping. So far as I am aware, no one has yet been able to make out a logical case in support of this contention. Presumably, Turkey still adheres to the Nationalist Pact, and Greece can by no means be characterized as "unsatisfied" from the

standpoint

standpoint of the peace settlement. That Tewfik Ruchdi Bey visited Sofia in the interest of a Greco-Bulgarian rapprochement, I have no doubt. In fact the Italian Minister at Sofia, with whom Tewfik Ruchdi Bey had a long conversation, told the writer that his supposition to that effect was correct. The Italian Minister added that in his opinion at least two years will pass before the ground for rapprochement has been properly prepared. According to him Mr. Molloff, the Bulgarian Minister of Finance, is the one who is delaying the settlement of the property questions outstanding between Greece and Bulgaria.

But to return to the main issue - it is my opinion that Tewfik Ruchdi Bey could work in the interest of a Greco-Bulgarian understanding, and even at the behest of Italy, without having as an aim the creation of a "revisionist bloc". That he believes that Serbian hegemony of the South-Slavs would not be in the interest of Turkey is known from the proposal for a Bulgaro-Turkish understanding on Balkan matters made by him in 1925 to Simeon Radeff, then Bulgarian Minister at Ankara and now Bulgarian Minister at Washington. In the light of this knowledge one can understand the Turkish Minister's desire for a strong Bulgaria. A weak Bulgaria is a standing invitation to Belgrade to assert hegemony. Hence the desire, which fits in admirably with Italy's efforts to check France, for Greco-Bulgarian rapprochement.

That Athens is a willing party to such plans is an opinion based locally on the belief that the existing friendship between Athens and Belgrade is built upon sand, in view

of

of the "ingrained" interest of the Serbian political leaders in the Port of Salonika. Furthermore, a recent speech made by Mr. Michailacopoulos on the extension of the Turco-Greek pact is locally interpreted to refer to Bulgaria. Commentingeditorially upon this speech MIR said:

> "Mr. Michailacopoulos has Bulgaria in mind. A pact between Greece, Turkey and Bulgaria would certainly strengthen the position of Greece with reference to Yugoslavia. Other considerations in favor of a triple entente between these three countries have been expressed by Count Bethlen in the interview given the NEW YORK TIMES. Having stated that it is too early to speak of a "revisionist group", he added that the conversations which he had had at Angora with Greek statesmen had a more immediate object, i.e., the prevention of a Slav bloc in the Balkans. This manoeuver might cause Yugoslavia to change its policy, were the Yugoslavs less chauvinistic, as isolation of Yugoslavia in the Balkans is its logical end".

It is the Legation's opinion that nothing more than an exchange of views occurred during the visit of Tewfik Ruchdi Bey. Mr. Bouroff is most reluctant to take any steps that would burn the bridges leading to Paris. In fact, in conversation with the writer several days ago on the subject of Tewfik Ruchdi Bey's visit, Mr. Bouroff said that as between Italian and French influence in the matter of Bulgaria's foreign policy, he would always prefer to choose the latter. However, he is not a free agent in the present Government, and so far as the King is concerned, his views are unknown. No doubt Tewfik Ruchdi Bey left Sofia with the tacit consent of his Bulgarian colleague to see what could be done at Athens in the way of a settlement of the outstanding questions between Bulgaria and Greece.

That Belgrade has taken the visit seriously is inferred in Sofia from the fact that the Yugoslav Minister for Foreign Affairs is now in Athens conferring with

Mr.

Mr. Venizelos. Furthermore, the new Yugoslav Minister to Sofia left for Belgrade immediately after the visit of Tewfik Rushdi Bey, no doubt for the purpose of reporting in person to the Yugoslav Minister for Foreign Affairs, prior to the departure of that official for Athens.

Respectfully yours,

Henry W. Shoemaker,
American Minister.

710

copy to: E.I.C. Paris
American Embassy, Istanbul.
American Legation, Athens.

DOCUMENT FILE

NOTE

768.74/297

SEE 468.74/8 FOR #1616

FROM Greece (Skinner) DATED Feb. 6, 1931
TO NAME

1—1127 GPO

REGARDING:

The murder of a Greek soldier, named Petrakakos, on the Bulgarian frontier has aroused public feeling in Greece, making the task of settling claims between the two countries more difficult.

W1

DOCUMENT FILE

NOTE

SEE 468.74/9 FOR Despatch #188

FROM Bulgaria (Shoemaker) DATED Feb.7,1931.
TO NAME

1—1127 GPO

768.74/298

REGARDING: Political relations between Greece and Bulgaria in connection with Bulgaro-Greek property questions.

th

DOCUMENT FILE

NOTE

SEE 468.74/12 FOR desp.#203

FROM Bulgaria (Shoemaker) DATED Mar.7, 1931

TO

NAME

1—1127 ore

REGARDING: Proposal for the settlement of the Bulgaro-Greek dispute over payment of claims. Present status of negotiations discussed.

fc

768.74/299

299

Sofia, Bulgaria, March 7, 1931.

No.205 CONFIDENTIAL

Subject: BULGARO-GREEK NEGOTIATIONS.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to inform the Department, in continuation of my despatch No.197, of February 21, 1931, that Mr. Henderson's reply to the Bulgarian note on the British statesmann's proposal for the settlement of the Bulgaro-Greek dispute was delivered to Mr. Bourcff a few days ago and that on March 6 Mr. Bourcff convened the Parliamentary Commission on Foreign Affairs for the purpose of informing that body as to the exact state of the negotiations.

Mr.

Mr. Bouroff stated that although Mr. Henderson does not accept in toto the Bulgarian counter proposal, it is possible to say that as a result of British intervention the points of view of the two litigants are much closer than they have been at any time in the past. Mr. Bouroff characterized the present stage of the negotiations as "the last phase", and explained that there remains disagreement on only two points, namely, the manner in which the question of the claims of the six thousand Bulgarians and the question of the Anhialo claims of Greece are to be dealt with. The Commission was unanimous in the opinion that the Bulgarian point of view on these two questions is just. The opposition members, however, expressed the desire that the negotiations be expedited as it is high time that normal political and economic relations exist between Bulgaria and Greece.

Despite the rather optimistic note struck by Mr. Bouroff in his explanation to the Parliamentary Commission on Foreign Affairs, the Legation is of the opinion that the negotiations may yet strike a snag. One reason for this opinion is the obvious discomfiture at this time of Mr. Waterlow, British Minister at Sofia. Mr. Waterlow complains that the policy of mediation was adopted by Mr. Henderson without consultation with the Sofia Legation, and that he, Mr. Waterlow, is now unable to express his true opinion on the subject of the claims of the six thousand Bulgarians and the Anhialo claims of Greece to his Foreign Office without giving his Government cause to fear that its Sofia representative has become an advocate of the Bulgarian point of view, a thing which would no

doubt

doubt prejudice the Bulgarian claim and harm Mr. Waterlow personally. At the same time Mr. Waterlow realizes that Bulgaria is not pressing the claims of the six thousand Bulgarians from Greek-Macedonia simply for tactical purposes. In fact there is reason to believe that Mr. Waterlow's present uneasiness results from the fact that he has already been asked by Mr. Bourcff to tell Mr. Henderson exactly how matters stand with reference to the claims of the six thousand, so far as Bulgaria is concerned. That the Foreign Office is also not too sanguine of success is indicated by the fact that the foreign editor of the LONDON TIMES recently instructed his Sofia correspondant to cease using the term "mediation" in connection with Mr. Henderson's efforts to compose the differences between Bulgaria and Greece, explaining that the Foreign Office has objected to the use of that word by the LONDON TIMES.

Respectfully yours,

Henry W. Shoemaker.

710

Copy sent to E.I.C. Paris.

DOCUMENT FILE

NOTE

SEE 468.74/11 FOR #1642

FROM Greece (Skinner) DATED Feb.28, 1931.
TO NAME

1—1127 GPO

REGARDING:

a conversation with the Greek Foreign Minister concerning the reply made by Bulgaria to the British suggestions for the settlement of Greco-Bulgarian claims. Greece has held out to Bulgaria as an inducement to agree to some such undertaking, the promise to conclude with Bulgaria a commercial treaty and a pact of friendship and arbitration.

mb/

768.74/300

Athens, February 28, 1931.

No. 1648.

Subject: Greco-Bulgarian Differences.

The Honorable

The Secretary of State,

Washington.

Sir:

The Department will be interested to know that the Minister for Foreign Affairs, Mr. Michalakopoulos, expressed himself yesterday to myself, and also to other Foreign Ministers who were present at his weekly reception, somewhat as follows in regard to Greco-Bulgarian claims and counter-claims, respecting which the British Minister for Foreign Affairs has recently concerned himself as mediator. Mr. Michalakopoulos stated that he could only look upon the Bulgarian reply to the British suggestions as in the nature of a subterfuge. The Bulgarian reply to Mr. Henderson, while declaring the confidence of that government in arbitration as a means of securing settlement, laid down the condition that it should be exercised, not by the permanent court at the Hague, but by the neutral members of the Mixed Commission for the Voluntary Migration of Greek and Bulgarian Populations.

In

In the view of Mr. Michalakopoulos, it is unquestioned that the neutral members of the Commission have rendered appreciable services. It is nevertheless a fact that every time they have been confronted with questions of a juridical nature, as for example, communal properties, they have decided that they must seek the opinion of the International Court at the Hague. Mr. Michalakopoulos did not conceal from his visitors that if the Bulgarian Government persisted in its opposition, the Hellenic Government would deem itself obliged to have recourse to the International Court, itself, to obtain settlement of certain existing differences, and also to the special arbitration contemplated in the agreement of 1930, of what are called "Wagarin Credits." Mr. Michalakopoulos likewise stated that in the course of his last discussion with the Bulgarian Minister in Athens, he had declared that if the Sofia government would consent to sign an undertaking to submit Greco-Bulgarian differences to the procedure suggested by the British Foreign Minister, which was both just and equitable, the Hellenic Government would be ready on its side to sign with Bulgaria, simultaneously with the signing of the agreement, a provisional commercial convention assuring to Bulgaria the most-favored-nation treatment. Likewise, Greece would undertake to engage in a discussion with a view to the conclusion of a definite treaty of commerce, comprising also a Consular Convention. Furthermore, Greece in these circumstances would be prepared to sign a pact of friendship and arbitration, according to models laid down by the League of Nations.

From a word or two exchanged between the Bulgarian Minister and myself, I form the impression that he is personally well disposed towards the suggestions of Mr. Michalakopoulos. The

Bulgarian

The Bulgarians, undoubtedly, are desirous of obtaining a commercial agreement with Greece, and they certainly will not get one until they consent to submit their claims to arbitration in some form.

Respectfully yours,

(Signed) Robert P. Skinner

Copy to E.I.C., Paris.

RPS/ewf

DOCUMENT FILE

NOTE

SEE 468.74 / 1 3 FOR Desp # 208

FROM Bulgaria (Shoemaker) DATED March 21,1931
TO NAME 1—1172 ors

768.74/301

301

REGARDING: Bulgarian Minister of War publishes denial of the press comment on exchange of rifle fire between a Greek frontier post near Drama and Bulgarian conitadjis.

FLH

In connection with the Bulgaro-Greek negotiations I may report that press despatches emanating from Athens on March 8 stated that on that day there had occurred a lengthy exchange of rifle fire between a Greek frontier post near Drama and Bulgarian comitadjis. A subsequent press report from Athens spoke of Pomaks instead of comitadjis. Several days later DEMOCRATITCHESKI ZGOVOR, the organ of the Democratic entente or ZGOVOR, carried a full denial of the Athens despatches. This denial, so the DEMOCRATITCHESKI ZGOVOR stated, was based upon an investigation conducted by the Bulgarian Minister of War. Since the appearance of this denial nothing more than press comment has been heard on the subject. The burden of this press comment has been that the emanation from Athens of such fabricated reports as that of March 8 are not indicative of the good will which Mr. Mihalcopoulos, the Greek Minister for Foreign Affairs, states characterizes the Greek attitude toward Bulgaria in the negotiations set on foot by the mediation of Mr. Henderson, the British Secretary of State for Foreign Affairs.

Respectfully yours,

Henry W. Shoemaker.

710
Copy to E.I.C. Paris.

DOCUMENT FILE

NOTE

SEE 033.7467/1 FOR despatch #309

FROM Bulgaria (Shoemaker) DATED Oct. 30, 1931

TO NAME

I—1127 GPO

REGARDING: Settlement of differences between Bulgaria and Greece. Visit of Mr. Mooshanoff, Bulgarian Prime Minister to Turkey in the interest of ,——

768.74/302

mc

DOCUMENT FILE

NOTE

SEE 868.00-General Conditions/11 FOR #2026

FROM Greece (Skinner) DATED Jan. 2, 1932

TO NAME

1-1127 OPO

REGARDING:

Differences between Bulgarian and Greek Governments. Little progress made this month in bringing to settlement the points of ,-.

las

768.74/303

768.74

LEGATION OF THE
UNITED STATES OF AMERICA

Sofia, Bulgaria, January 9, 1932.

No. 345

Subject: BULGARO-GREEK NEGOTIATIONS.

DEPARTMENT OF STATE
FEB 18 1932
DIVISION OF
WESTERN EUROPEAN AFFAIRS

DEPARTMENT OF STATE
FEB 3 1932
DIVISION OF
NEAR EASTERN AFFAIRS

AM RECD
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Office of Foreign Affairs
FEB 17 1932
DEPARTMENT OF STATE

The Honorable

The Secretary of State,

Washington.

Sir:

During the second half of December Bulgaro-Greek relations were again rendered momentarily spectacular, at least from the standpoint of the press, by a characteristic contretemps. The Greek Government had adopted a measure increasing the duty on commodities imported from countries with which Greece is not in commercial treaty relations. Of course Bulgarian products were affected. Bulgaria sought exemption from the measure on the ground that it was Greece that had denounced the Bulgaro-Greek Trade Convention in 1930 and in view of the efforts under way to affect rapprochement between the two states. Greece replied that it could not make an exception for Bulgaria without

complicating

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complicating its relations with other non-treaty states and Bulgaria, through a press statement issued by its Prime Minister and Minister for Foreign Affairs, retorted that the enactment of a measure adversely affecting Bulgarian products on the eve of negotiations looking to a general settlement between the two states was hardly an earnest of good faith. The Prime Minister added, however, that Bulgaria would not permit the incident to divert it from the path of reconciliation.

It now appears that Bulgaria and Greece have agreed actively to resume the negotiations put in motion by the agreement relative to the application of President Hoover's moratorium, and to this end Greece has authorized Mr. Melas, Chief of the Political Section of the Greek Foreign Office, to enter into contact with the Bulgarian Minister at Athens, or any other plenipotentiary that Bulgaria may name. It also appears that the two Governments have agreed to negotiate on the basis of a global settlement and that Greece has suggested that as a first step the negotiators of the two states reexamine all claims and counter-claims made during the past three years of spasmodic negotiations, with a view to eliminating at the outset all unfounded claims and to reducing to just proportions all exaggerated claims. This suggestion has been well received in Bulgarian circles.

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Mr. Mooshanoff, the Bulgarian Prime Minister and Minister for Foreign Affairs, is also reported to have requested Mr. Venizelos to meet him this month at Geneva or Lausanne for the purpose of dealing with the more difficult questions outstanding between the two states. This report, and possible acceptance of the proposal by Mr. Venizelos, seem to be confirmed by a statement given to

the

the press yesterday by Mr. Mooshanoff to the effect that Bulgaro-Greek negotiations will enter into a decisive phase after the Lausanne conference.

In the opinion of several members of the local diplomatic corps, including the British Minister, a settlement between Bulgaria and Greece, crowned by a treaty of friendship and arbitration and followed by economic and possibly political collaboration between Bulgaria, Greece and Turkey now seems likely. The Legation concurs in this opinion but does not believe that the negotiations between the two states will evolve anything concrete before the Hague Courthas rendered an opinion on the Kafandaris-Molloff dispute. This opinion will not be forthcoming before the end of March. In the minds of some of Bulgaria's political leaders, including Mr.Molloff, the Minister of Finance in the previous cabinet and one of the most astute of Bulgaria's statesmen, there is the fear that the January session of the League of Nations and the Reparations conference at Lausanne may prove stumbling blocks to the negotiations between Bulgaria and Greece. This fear is based upon the thought that Mr. Briand may cast a spell upon the inexperienced Mr. Mooshanoff and may at the same time suggest that Bulgaria can find a way out of its present financial difficulties by becoming subservient to French policy.

Respectfully yours,

Henry W. Shoemaker,
Henry W. Shoemaker.

X

710

Copy sent to E.I.C.

LEGATION OF THE
UNITED STATES OF AMERICA

No. 2149 Athens, May 18, 1932.

Subject: Press comment on Greco-Bulgarian rapprochement.

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Copy to MID

The Honorable
The Secretary of State,
Washington, D. C.

Sir:

Several of the Athens papers devote considerable space to an article from the influential newspaper "BULGARIE" at Sofia which is quoted, when discussing the necessity of Greece and Bulgaria arriving at an understanding as recommended by the Council of the League of Nations, as saying that both countries must cease mutual polemics concerning isolated and vague incidents of little importance which have kept the two nations apart for years.

The "HESTIA" (Venizelist) says that the polemics which the Sofian newspaper talks of perhaps were not two sided and suggests that the main obstacle which has kept the two countries apart is the systematic and persistent efforts of the Macedonian Bulgarians whose influence at Sofia is not by any means insignificant. "In any case," says the "HESTIA," "it is a satisfaction to see that a newspaper which speaks with the authority of the "BULGARIE" is now advocating the idea of an understanding between the two countries, which view-point the "HESTIA" thoroughly supports." It adds that the necessity of systematizing and consolidating the

commercial

commercial relations between the two countries is such a patent fact in the interests of both as to need no further comment.

"KATHIMERINI" (Royalist) reproduced in full the article of the "BULGARIE" which cites a reference made by "BULGARIE" to an article in the governmental "MESSAGER d'ATHENES" which made allusion to the long-standing divergence caused by the policy of several successive Bulgarian Governments, and quotes the "BULGARIE" as drawing attention to the fact that the Greek politicians have also not been free of this typical Balkan vice of mutual recrimination.

"POLITEIA" (Royalist) recommends strongly that the past be forgotten and is encouraged by the present effort at rapprochement. It draws attention to the fact that both political and economic reasons require a prompt re-establishment of a real collaboration between the two countries and cites the fact that the whole Greek press shares this feeling.

Despite the fact that some time has elapsed since the League of Nations made its recommendation to Greece and Bulgaria to come to an understanding, no publicity has been given to any active negotiation of the two governments looking to that end.

Respectfully yours,

Leland Morris

Leland M. Morris,

Chargé d'Affaires ad interim.

Legation File No. 710

Copy to E.I.C.

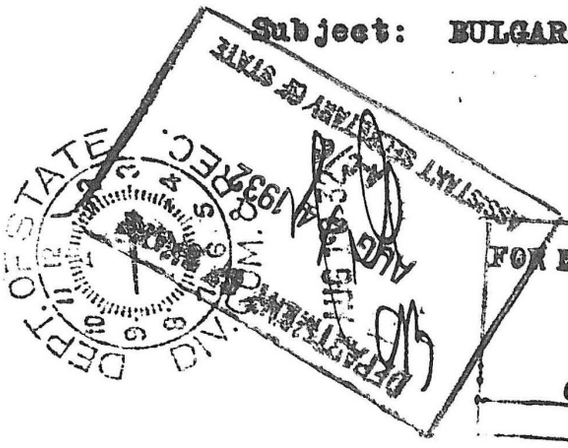
LBM/cwf

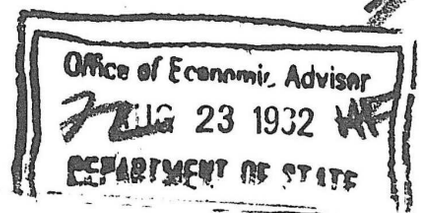
LEGATION OF THE
UNITED STATES OF AMERICA

Sofia, Bulgaria, July 15, 1932.

No.471

Subject: BULGARO-GREEK DIFFERENCES.





FOR DISTRIBUTION

No

Copy to M I D.

AUG 24 1932

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to inform the Department that the local press has reported that during the latter phase of the Lausanne Conference Mr. Moushanoff, the Bulgarian Prime Minister and Minister for Foreign Affairs, and Mr. Mihailacopoulos, the Greek Minister for Foreign Affairs, conferred at Lausanne on two occasions on the questions outstanding between their respective states. At the close of the first meeting, according to press despatches from Lausanne, a joint statement was issued to the effect that the two Ministers had passed in review the whole complex of Bulgaro-Greek differences and had proceedad to a preliminary exchange of views. The second meeting occurred after Mr. Mihailacopoulos had had a hasty

conference

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AUG 26 1932

conference with Mr. Venizelos, who passed through Lausanne by train on his way to France for a cure. Mr. Politis, also a representative of Greece at the Lausanne Conference, Mr. Stoyanoff, the Director of the Bulgarian Public Debt, and Mr. Neicoff, the Bulgarian Minister at Athens, were present at the second conference.

These meetings between Mr. Mooshanoff and Mr. Mihailacopoulos have caused many local people to believe that a direct settlement between Bulgaria and Greece on all the outstanding questions, including that of the Kafandaris-Molloff payments, may materialize in the near future. Much is made of the fact that although Mr. Mooshanoff and Mr. Mihailacopoulos, or Mr. Venizelos, have been at Geneva at the same time on several occasions in the past, they have never before sought to meet for a serious talk. It is also pointed out that in presenting his letter of credence to the King on July 10, Mr. Collas, the new Greek Minister to Bulgaria, spoke in part as follows: "The Hellenic Government, firmly attached to the work of the consolidation of peace in the Balkans seeks to develop sincerely cordial relations with all its neighbors. Animated by this desire it hopes for the earliest possible solution of the questions still pending between Greece and Bulgaria, which solution should contribute to the closest rapprochement between the two countries and lead to a fruitful collaboration between them for the better good of their interests and in behalf of general peace". In replying to these remarks, King Boris spoke as follows: "The Bulgarian Government will be very happy to collaborate with Greece with a view to a more cordial understanding between the two countries. You will find here parallel sentiments with

reference

reference to the solution of the questions still pending between Bulgaria and Greece, and the desire which we have in common to serve the reciprocal interests of our people will assure you, in so far as I am concerned and as relates to the Bulgarian Government, of friendly cooperation and good will in the accomplishment of your high mission amongst us."

According to a press despatch from Athens which has just appeared in the Sofia press, Mr. Mooshanoff spoke as follows at Lausanne, to the Director of the Athenian Press Agency: "I am not a diplomat. I am a politician and I will clearly state my opinion. We should prepare a better future. In consequence, we should avoid all obstacles. We should, and we can come to an understanding, at the same time protecting our reciprocal interests. The differences that we seek to settle are financial, and not political. Consideration has been given to the matter of a global payment, which would settle our old differences. I hope that we shall arrive at a settlement. In the interests of the two countries it is essential that all obstacles disappear. I hope that a means of understanding, with reference to the Kafandaris-Molloff problem, will be found. It is not necessary that the interests of one be sacrificed by an understanding; our respective interests should be reconciled. We have common interests which should surmount differences. We should aid each other, and not hinder each other."

Respectfully yours,

Henry W. Shoemaker,
Henry W. Shoemaker.

710

MBB:MC

COPY SENT TO E. I.

LEGATION OF THE
UNITED STATES OF AMERICA

Sofia, Bulgaria, July 22, 1932.

No.475

Subject: STATEMENT OF BULGARIAN PRIME MINISTER ON BULGARO-GREEK DIFFERENCES.

Office of Economic Adviser
AUG 23 1932
DEPARTMENT OF STATE

Copy sent to Treas (Mr. Bell) 8/23/32

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AUG 10 32
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DEPARTMENT OF STATE
AUG 24 1932
ASSISTANT SECRETARY OF STATE
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Copy to M.I.D.
AUG 25 1932
DEPARTMENT OF STATE
AUG 11 1932
DIVISION OF NEAR EASTERN AFFAIRS

768.74/307

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to inform the Department, with reference to the Legation's despatch No.471, of July 15, 1932, that Mr. Mooshanoff spoke as follows upon his arrival in Sofia yesterday with reference to his meetings with Mr. Mihailacopoulos at Lausanne:

"At Lausanne I had an important interview with Mr. Mihailacopoulos. I told him that the Bulgarian Government was most anxious to settle all litigious questions between Bulgaria and Greece and to establish normal economic relations. I maintained the position that reparations are not a Greek problem, but a problem to be dealt with by the allied Powers, and that if reparations payments are to be cancelled or reduced this must not be done at the expense of Greece alone, which country received seventy-five percent of our payments, but at the expense of all of the Powers concerned. Consequently, the two

countries

countries must come to an agreement by divorcing reparations from the other outstanding questions, including the problem of Kafandaris-Molloff payments. Mr. Mihailacopoulos expressed views favorable to the settlement of litigious questions, with the result that my impressions after the first interview were very good. At our second interview, which took place after Mr. Mihailacopoulos had seen Mr. Venizelos and Mr. Politis, the Greek Minister for Foreign Affairs adopted the position that Greece cannot renounce compensation between reparations and Kafandaris-Molloff payments. I am convinced that in spite of past assurances, the Greek Government has not decided to come to a direct agreement with us. The committee of non-German reparations will have to decide in principle whether it shall deal with the Kafandaris-Molloff problem."

4.9.74

The foregoing statement would seem to remove whatever basis existed for the opinion of many local individuals, reported in the Legation's despatch No.471, that a direct settlement between Bulgaria and Greece may materialize shortly. The Legation understands on excellent authority, however, that such is not necessarily the case and that the foregoing statement was made for the express purpose of provoking newspaper discussion in Athens on the desirability of an early settlement between the two Governments.

Respectfully yours,

For the Minister:

Maynard B. Barnes

Maynard B. Barnes,
Secretary of Legation.

710

MBB:MC
Copy sent to E.I.C.

LEGATION OF THE
UNITED STATES OF AMERICA

Sofia, Bulgaria, August 19, 1932.

No.493

Subject: BULGARO-GREEK DIFFERENCES.

Office of Economic Advisor
SEP 15 1932
DEPARTMENT OF STATE

SEP 7 32

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TO

ASSISTANT SECRETARY OF STATE
SEP 16 1932
MR. BUNDY

SEP 12 1932

768.74/308

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to the Legation's despatch No.475, of July 22, 1932, reporting the statement of Mr. Mooshanoff expressing doubt as to the seriousness of the desire of the Greek Government to come to a direct understanding with Bulgaria, and to inform the Department that LA BULGARIE, the semi-official organ of the Bulgarian Foreign Office, has just published a series of articles on the dispute between Bulgaria and Greece with respect to Kafandaris-Molloff payments and in reply to articles published in the Greek press with reference to Mr. Mooshanoff's statement of July 21.

LA BULGARIE summarizes the Bulgarian position as follows:

follows: (1) Greece is not the direct creditor of Bulgaria in reparations matters. Bulgarian reparations constitute a tribute paid to the Allied and Associated Powers. (2) Bulgaria plays no part in the distribution of its payments. Therefore it is not responsible for the fact that seventy-six percent of its reparations goes to Greece. (3) The Hague Court's decision did not pronounce on the principle of compensation between Kafandaris-Molloff payments and reparations payments which Greece has been endeavoring to establish for the past fourteen months. (4) Greece's obligations toward Bulgaria under the Kafandaris-Molloff convention are for value received in the form of property which belonged to former Greek nationals of Bulgarian race who were "forced" to emigrate to Bulgaria.

LA BULGARIE states that as Greece was given such a large share of Bulgarian reparations because that country was compelled by France and England to assume nearly the full burden of its war time financial transactions, the Bulgarian Government does not find the Greek demand for reduction of its commitments to be unreasonable, but it is of the opinion that France and England should bear the burden of the reductions and not Bulgaria and the Bulgarian refugees whose property came into the hands of the Greek Government as a result of the exchange of populations. The semi-official organ of the Foreign Office explains that it is because Bulgaria recognizes the justice of the Greek claim for reductions, that Mr. Mooshanoff has sought a direct settlement of all outstanding questions, aside from reparations, the thought

being

being that with the various litigious questions out of the way the two states could present a united front to the French and the British on the reparations question.

With little more than a month to go now before the meeting of the committee on non-German reparations, it would seem that the likelihood of a direct settlement of the Kafandaris-Molloff problem is much less than when the Legation wrote its despatch 306 No.471, of July 15, 1932. Perhaps after the forthcoming elections in Greece, renewed efforts for a direct settlement will be made. It is thought here that Mr. Mihailacopoulos is far more friendly to the Bulgarian point of view than is Mr. Venizelos.

Respectfully yours,

Henry W. Shoemaker,
Henry W. Shoemaker.

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Copy sent to E.I.C.

RECD

LEGATION OF THE
UNITED STATES OF AMERICA

Athens, Greece. 6 September 1932.

DEPARTMENT OF STATE
SEP 23 1932
DIVISION OF
NEAR EASTERN AFFAIRS

No. 2230

SEP 22 32

SUBJECT: Failure of Greco-Bulgarian Efforts at a Rapprochement

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768.74/309

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Office of Economic Advisor
SEP 30 1932
DEPARTMENT OF STATE

Sir:

Upon the return of Mr. Peter Neicoff, Bulgarian Minister to Greece, I had a conversation with him in regard to the recent efforts of the Greek and Bulgarian statesmen to bring about a better understanding and a closer relationship between the two countries, as recommended to them by the League of Nations, during the discussions looking to the financial relief of both countries.

As a preliminary, Mr. Neicoff recalled that during the two years since Greece had denounced her commercial agreement with Bulgaria, the exports of the latter country into Greece had steadily declined, and during the last eight months had ceased entirely. On the other hand, Greek exports into Bulgaria, consisting principally of olives and dried fruits, had continued in a more normal fashion, owing to the fact that the Bulgarians had not followed the example of Greece in applying a higher duty to Greek products, although, after the

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denunciation

denunciation of the convention Bulgarian products imported into Greece must pay the general customs tariff, which is double the conventional. Mr. Neicoff said that the Bulgarian Government had taken this stand in order to leave the door open for a renewal of a normal commercial relationship.

Mr. Neicoff accompanied the Prime Minister of Bulgaria, Mr. Mooshanoff, to Lausanne. He said that his Prime Minister had declared to him that he was determined to arrive at an understanding with the Greek statesmen, and welcomed the opportunity to meet Mr. Michaelakopoulos, the Greek Minister of Foreign Affairs, at Lausanne. Mr. Neicoff was present at the principal interview between Mr. Michaelakopoulos and Mr. Mooshanoff. The whole matter of Greco-Bulgarian relationship was discussed between the two Prime Ministers. An understanding in principle was arrived at immediately on all points except the famous bone of contention, the Kafandaris-Molloff Agreement. After a somewhat lengthy discussion of this subject, Mr. Mooshanoff proposed to Mr. Michaelakopoulos that the two Governments make separate but parallel efforts to induce the Powers to recommend to Greece and Bulgaria to accept an arrangement of the following nature: Bulgaria's contribution to the general reparations account, 75% of which is received by Greece, would be reduced to a figure just sufficient to enable Greece to continue to pay off the Greco-Bulgar emigration account under the terms of the Kafandaris-Molloff Agreement. Thus the principal and, in fact, only serious divergence would be removed, and the two countries could rapidly arrive at an understanding of mutual advantage in respect to

their

their general and commercial relations.

Mr. Mooshanoff stated that Greece had received the lion's share of the general reparations paid in by Bulgaria at the instance of France, who insisted upon this because she saw an opportunity therein not to pay to Greece her own war obligations to that country. Mr. Michaelakopoulos stated that Greece had certainly never been satisfied with the attitude of France in this matter, and said that Mr. Venezelos was going to reopen the question with France at the first good opportunity. Mr. Mooshanoff said that he would do all he could to support the Greek viewpoint in any efforts made by Greece to induce France to make an equitable settlement of her war debt to Greece, which would, at the same time, serve as an offset to Greece for the loss of the reparation payments received indirectly from Bulgaria. Mr. Mooshanoff expressed the belief that while Bulgaria would appear to be entitled to a reduction of its reparations in the same proportion as Germany, that nevertheless such a reduction would bring the Bulgarian contribution down to a figure insufficient to allow Greece to continue payment under the Kafandaris-Molloff Agreement. Therefore, he was prepared to accept the payment by Bulgaria of a larger sum ~~for~~ as a lump sum figure or an annual contribution, but in any case sufficient to assure that Greece will not have to pay anything from its own treasury to continue the Kafandaris-Molloff payments.

Mr. Neicoff says that Mr. Michaelakopoulos expressed general satisfaction with the proposal of Mr. Mooshanoff, and thought that it furnished the possibility of a solution. He said that he would take it up with Mr. Venezelos, who was pass-

ing

ing through Switzerland on his way to France. The interview was brought to a close at this point.

Mr. Michaelakopoulos saw Mr. Venezelos in his sleeping car, and the next day had a second interview with Mr. Mooshanoff, at which Mr. Neicoff was present. Mr. Neicoff said that Mr. Michaelakopoulos had completely changed his attitude. He stated to Mr. Mooshanoff that his proposal for mutual, independent action to the Great Powers could not be agreed to, and that the Bulgarians did not understand the Greek viewpoint, implying that Mr. Neicoff had not correctly informed his Government in this respect. According to Mr. Neicoff, Mr. Mooshanoff was greatly taken back by this reversal of the attitude of Mr. Michaelakopoulos. Mr. Neicoff himself was very much upset, and told his Prime Minister in the presence of Mr. Michaelakopoulos that he thought he had very particularly transmitted the Greek viewpoint as given to him by both Mr. Michaelakopoulos and Mr. Venezelos. Mr. Mooshanoff replied that he had no doubt of it, and expressed his entire confidence in and approbation of Mr. Neicoff at the same time. Mr. Mooshanoff saw that further discussion with Mr. Michaelakopoulos was useless, and the interview came to an end in this unsatisfactory manner.

Mr. Neicoff expressed to me the very emphatic belief that Mr. Michaelakopoulos had not correctly represented to Mr. Venezelos the proposal of Prime Minister Mooshanoff. His motives for so doing were obscure, but would no doubt be connected with the present intense electoral campaign in Greece. Mr. Neicoff said to me very flatly that neither Mr. Mooshanoff nor he felt that any further negotiations could be undertaken with the present Greek Government, meaning, of course, Venezelos

and

and Michaelakopoulos. He thought, in fact, that this question would not be brought to a conclusion without direct and severe recommendations to both Greece and Bulgaria by the Great Powers. Mr. Neicoff feels that not only did Mr. Michaelakopoulos misrepresent to Mr. Venezelos the proposal of Mr. Mooshanoff, but that he also took the opportunity for a personal revenge upon Mr. Neicoff, when he stated that the Greek viewpoint had not been properly presented to the Bulgarian Government. Mr. Neicoff is at no less, he says, to find a reason for this thrust at himself. Some time ago Mr. Venezelos sent for Mr. Neicoff at the watering-place in Greece, Ypati, where he was taking the baths. At that interview the Greek Prime Minister discussed in particular the possibility of war debt payments from France as an offset to Bulgaria's 75% contribution on reparations, which Greece had been receiving. Mr. Michaelakopoulos was very much annoyed that Mr. Venezelos, and Mr. Neicoff had discussed these matters without his participation. He let his displeasure towards Mr. Neicoff be felt by allowing the publication in the local press of a statement to the effect that the Bulgarian Government was not receiving from Greece proper information as to the Greek viewpoint in regard to the questions at issue between the two countries. Mr. Neicoff says that he learned that this unofficial communication emanated directly from Mr. Michaelakopoulos, and was put out with the deliberate object of embarrassing him. Mr. Neicoff spoke to Mr. Michaelakopoulos about it, who, of course, expressed his diplomatic regret, and offered to make any retraction which Mr. Neicoff might find fitting, expressing his displeasure that such an ill-founded statement should have crept into the press. Under the circumstances, Mr. Neicoff says that he told Mr. Michaelakopoulos that the damage had been done

and that

and that no good could be gained by keeping the matter alive, and it was therefore dropped.

In this connection I beg to refer to three despatches, Nos. 471, 472 and 475, addressed by the American Minister at Sofia to the Department. Not unnaturally, the confidential circumstantial account of the meeting at Lausanne as given by Mr. Neicoff differs from the public statements made by the Bulgarian Prime Minister as contained in despatches from Mr. Shoemaker.

I retain two very clear impressions from Mr. Neicoff's conversation: first, that Bulgaria considered reparations at an end, as reported by Minister Shoemaker on page 3 of his despatch No. 472, wherein he quotes the newspaper ZHANE, the organ of Mr. Mooshanoff; second, Mr. Neicoff seems very positive that no rapprochement can be arrived at with the present Greek Government, and that in all probability Bulgaria, despite her good will in the matter, will not be able to arrive at a direct understanding with any Greek Government without the strong insistence of the Powers. It was quite evident that Mr. Neicoff gave me what he intended to be an intimate picture of the conversations at Lausanne with the object of counteracting any Greek version of the affair which I might have reported to the Department.

In this connection I might say that I had several informal conversations with Mr. Michaelakopoulos since his return from Lausanne, but he has not broached the subject of his discussions there, nor has any other official of the Foreign Office done so.

As a somewhat interesting sidelight of the conversation with Mr. Neicoff, I may say that he gave clear enough evidence of holding the belief which seems to be common enough in Europe today, that the Hoover moratorium was nothing more nor less

than

than an admission on the part of the United States that the war debts and reparations were a thing of the past, and that in due course the United States would take the steps necessary to put an end to the whole matter by renunciation of her war debts and would thus enable the Europeans to settle all their differences by this panacea.

Respectfully yours,

Leland B. Morris
American Charge d'Affaires ad interim

LBM:ag

Copy to E.I.C.

LEGATION OF THE
UNITED STATES OF AMERICA

Sofia, Bulgaria, February 6, 1933.

No.598 Confidential - for staff use only.

Subject: BULGARO-GREEK RELATIONS.

DEPARTMENT OF STATE
A.A.O/O
MAR 3 1933
ASSISTANT SECRETARY OF STATE

Copy to M.I.D Cuba

MAR 6 1933

768.74/310
FILED
MAR 13 1933

The Honorable

The Secretary of State,

Washington.

DEPARTMENT OF STATE
FEB 28
DIVISION OF
NEAR EASTERN AFFAIRS

Cuba

Sir:

I have the honor to inform the Department that LA BULGARIE, the semi-official organ of the Bulgarian Ministry for Foreign Affairs, recently published a leading article expressing regret over the fall of the Tsaldaris Government in Greece, on the grounds that during his short tenure of office Mr. Tsaldaris proved himself to be a partisan of Bulgaro-Greek understanding, whereas Mr. Venizelos had never been willing to do more than lip service to this ideal. This article provoked a reply on the part of ELEFTHERON VIMA in which the editor of LA BULGARIE was reproached for expressing only praise of Mr. Tsaldaris and criticism

criticism of Mr. Venizelos. Mr. Antonoff, the editor of LA BULGARIE, has now answered ELEFTHERON VIMA by pointing out that it was the government of Mr. Venizelos which denounced, to the great disadvantage of Bulgaria, the commercial agreement between the two states in 1930, whereas one of Mr. Tsaldaris' first acts upon coming to power was to accord minimum import duties to Bulgarian products. In his answer, Mr. Antonoff states that by the time Mr. Tsaldaris came to power the Greek market for Bulgarian products had been completely destroyed, but that nevertheless Mr. Tsaldaris' gesture was taken in Bulgaria as an expression of good will, whereas no similar expression had been forthcoming during the four years of Mr. Venizelos' premiership.

This polemic between LA BULGARIE and ELEFTHERON VIMA is being brought to the attention of the Department as it is believed that Mr. Antonoff's criticism of Mr. Venizelos is indicative of the real feeling in Bulgaria toward Mr. Venizelos. In a recent conversation with a member of my staff Mr. Antonoff said that Mr. Mihailacopoulos, the new Greek Minister for Foreign Affairs who held the same portfolio in the previous Venizelos' Cabinet, is thought to be even less of a partisan of Bulgaro-Greek understanding than Mr. Venizelos. Mr. Antonoff expressed the opinion that Mr. Mihailacopoulos is in reality a Bulgaro-phobe; that his attitude toward Bulgaria is that of a grand signeur toward a serf. He added that he did not see how there could be any direct settlement between Bulgaria and Greece so long as Mr. Venizelos and Mr. Mihailacopoulos remain in the seats of the mighty, unless outside pressure is brought to bear on Athens. Mr. Antonoff's views are of

interest

interest as he is generally considered to be one of the best informed Bulgarians on domestic and foreign political questions.

Respectfully yours,

Henry W. Shoemaker,
Henry W. Shoemaker.

710

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L & C.

LEGATION OF THE
UNITED STATES OF AMERICA

Sofia, Bulgaria, May 30, 1933.

No.672 CONFIDENTIAL

Subject: INDICATIONS THAT EFFORTS ARE AFFOT TO CREATE NEW GROUP IN SOUTH EASTERN EUROPE.

PM RECD
DEPARTMENT OF STATE
JUN 28 1933
JUN 14 33
FOR DISTRIBUTION
Yes No
Field
U. S. A.
Copy to M.I.D.
JUN 28 1933
768.74/311
768.74
note
767.68
767.74
Office of Economic Adviser
JUN 27 1933
DEPARTMENT OF STATE
FILED
JUL 10 1933

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to inform the Department that during his visit to Geneva early this month Mr. Mooshanoff discussed the problems outstanding between Bulgaria and Greece with Mr. Maximos, the Greek Minister for Foreign Affairs, and that since his return to Bulgaria the Prime Minister has on several occasions spoken publicly of the desirability of an immediate settlement with Greece. According to reports here the Bulgarian Minister at Athens has also been busy during the past month in an attempt to prepare the ground for a settlement, and his opposite number in Sofia has

likewise

likewise been engaged in unusual activity along the same lines. It is also understood on good authority that the Turkish Minister for Foreign Affairs has been active in support of an early settlement between Bulgaria and Greece, and now comes news from Ankara, on the heels of the recent negotiations in Athens between the Greeks and the Turks, that the latter have proposed to Sofia the conclusion of a Bulgaro-Turkish pact of non-aggression. This news has been confirmed to a member of my staff by the Turkish Minister here.

As it is thought in well informed circles that the new commercial agreement between Turkey and Greece is to lead to the signature, on the occasion of the projected visit of Mr. Tsaldaris and Mr. Maximos to Ankara in September, of a political pact calculated to guarantee peace in the Eastern Mediterranean, it would not seem unreasonable to conclude, in view of the increased activity toward a settlement of Bulgaro-Greek differences and of the proposal of Turkey for a non-Aggression pact with Bulgaria, that steps are actually afoot to create something similar to the Little Entente in extreme South-eastern Europe. At any rate the Legation is of the opinion that an effort along these lines is being made, and in conversation on this point with a member of my staff the Greek Minister here has not seen fit to deny the suggestion. However, he is not very hopeful of an early settlement of the differences between his country and Bulgaria. He states that he finds the Bulgarians as intransigent today on the Kafandaris-Molloff problem as they have ever been. The Legation learns from the British

Minister

Minister that it has been the hope of his Government that the Kafandaris-Molloff problem can be settled at London during the coming Economic Conference. Settlement there, instead of by direct negotiations, would have the merit of making it possible for the two Governments to deal with intransigent public opinion by presenting the settlement to their respective publics as part and parcel of the general decisions taken by the Economic Conference. But as the Greek Minister points out, if Mr. Mooshanoff does not go to London, and he now says that he does not see how he can get away, there would seem to be little likelihood that the dispute over the Kafandaris-Molloff agreement and reparations can be liquidated there.

In conclusion it should be reported that the British Minister here is also of the opinion that plans are afoot for the creation of a Turko-Bulgaro-Greek group, and one gains the impression from him that the British Foreign Office would welcome such a development in Southeastern Europe. Further evidence in support of the opinion that efforts are under way to form this group is seen in the fact that lengthy meetings of the Foreign Relations Commission of the Sobranje have been held during the past few days and that Mr. Mooshanoff has let it be known that he will soon call into being an extraordinary committee composed of members of all political parties in Bulgaria for the purpose of discussing Bulgarian foreign policy.

Respectfully yours,

Henry W. Shoemaker,

Henry W. Shoemaker.

MBB:MC
Copies sent to E.I.C.
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" " Legation, Athens
4 Carbon Copies
JM
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DOCUMENT FILE

NOTE

768.74/3312

SEE 774.00/62 FOR #664

FROM Bulgaria (Shoemaker) DATED May 22, 1933

TO NAME

1—1127 GPO

REGARDING: Incursion of Greek territory by Bulgarian Comitadjis.

W1

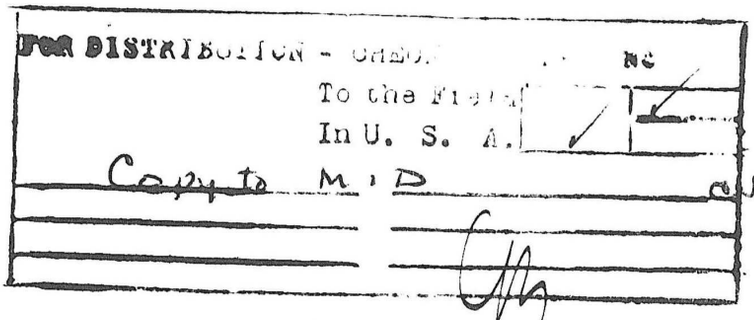
Another example of the phenomenon noted in the first paragraph of this despatch is the alleged incursion of Greek territory in the vicinity of Kilindir by a band of fifteen Bulgarian Comitadjis on May 8. In connection with this alleged incident it should be noted that during the past month the Bulgarian and the Greek Governments have been seeking to prepare the ground for a settlement of their differences. According to reports from Greek sources the malefactors fled to Bulgarian territory when attacked by a detachment of Greek gendarmes, and in their haste abandoned Bulgarian military arms on Greek territory. Sofia has made its usual reply that the Bulgarian frontier guards noted no unusual occurrences along the Greek border on May 8, but the fact that the Greek Minister has taken the matter up officially with the Bulgarian Government would seem to indicate that something actually happened.

LEGATION OF THE
UNITED STATES OF AMERICA

Sofia, Bulgaria, June 10, 1933.

No. 680

Subject: QUESTIONS OF FOREIGN POLICY HOLD CENTER OF STAGE.



JUL 14

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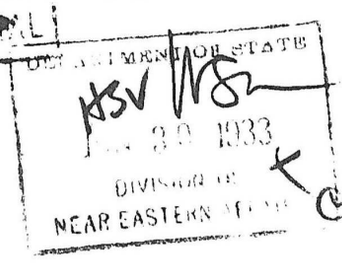

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to inform the Department that during the past two weeks questions of foreign policy have held the center of the stage in Bulgaria.

As reported in the Legation's despatch No. 672, of May 30, 1933, several meetings of the Foreign Relations Commission of the Sobranje were held at the end of last month. It is now understood on good authority that the Prime Minister, who is also Minister for Foreign Affairs, informed that body that outwardly the relations between Bulgaria and its neighbors are friendly but that old differences remain to be settled. He is reported to have said that

768.74/313

FILED
JUL 20 1933

that Greece is offering to liquidate the litigious questions outstanding between the two states, but that it insists on compensation between its obligations under the Kafandaris-Molloff agreement and reparations. Such a settlement, explained Mr. Mooshanoff, would cost the Bulgarian Government a billion leva. He is said to have stated that he sees no prospect of a change in point of view on the part of the Greek Government, but that the negotiations between the two Governments will be continued. In this connection it may be added that Mr. Neicoff, the Bulgarian Minister at Athens, was called to Sofia for consultation at the end of last month.

The Legation has also learned that Mr. Mooshanoff emphatically denied before the Foreign Relations Commission that Turkey is seeking to bring about an alliance between it, Bulgaria and Greece, to counterbalance the Little Entente. He is understood to have explained, however, that Bulgaro-Turkish relations have not suffered from the Razgrade incident, that Turkey <u>is</u> desirous of clearing the way for collaboration between all Balkan states, and that it has therefore sought to help in the realization of a settlement between Bulgaria and Greece.

At the time this statement was made, Bulgarian opinion was somewhat put out with Turkey, due to the fact that the latter had favored at the Disarmament Conference, the project of the Committee on Security reported by

Mr. Politis,

Mr. Politis, which would count as an aggressor any state from which armed bands invaded the territory of another and which, upon the request of the attacked state, did not take all measures in its power to deprive the bands of assistance and protection. It is thought to have been this current of resentment which caused the absence of Mr. Mooshanoff from the Sofia station several days later when Tewfik Ruchdi Bey passed through the Bulgarian capital on his way home from Geneva.

But to get on with the story of Mr. Mooshanoff's statement before the Foreign Relations Commission. He is reported to have made it clear that he favors private initiative calculated to improve relations between Bulgars and Serbs, such as the recent visit of the Serbian prelates, but that he does not look for any betterment in the relations between the two states until Belgrade takes the initiative and recognizes the Bulgarian element in Macedonia. It is understood that the Prime Minister indicated that progress is being made on the minorities question with Rumania by revealing that the Rumania Minister at Sofia had informed the Bulgarian Government some time ago that his government will permit Bulgarian language teachers in eighty places in the Dobrudja if Bulgaria will consent to Rumanian language teachers in the Vidin district.

Subsequently, during the debate in the Sobranje on the budget for the Ministry of Foreign Affairs, the Prime Minister dwelt on disarmament, revision and the

minorities

minorities clauses of the peace treaties. He said that although the treaties were unjust, they contain provisions, which if applied, can guarantee peace. Of these provisions he mentioned first the minorities clauses, and expressed the opinion that their non-execution has proved a boomerang; it is the non-execution of these clauses, according to the Prime Minister, that is largely responsible for the strength of the revisionist movement. Next in order, he dwelt on the disarmament provisions of the treaties, and then on Article 19 of the Covenant of the League of Nations. The very fact that these "safety valves" were fashioned by the authors of the peace treaties, argued Mr. Mooshanoff, reveals that those who drafted the peace terms did not consider that they had performed a sacred and eternal work. In support of his contention that revision is desirable, he cited the claim that two of the Great Powers who participated in the elaboration of the treaties, Great Britain and Italy, now believe that to maintain the dogma of infallibility, in the face of modified conditions, is to court danger even more serious than that of revision itself. He added that in all these questions Bulgarian policy remains within the framework of the treaties. During his remarks on the floor of the Sobranje the Prime Minister reiterated his conviction that until Bulgaria's neighbors recognize the Bulgarian minorities within their borders there can be no real improvement in the relations between those states and Bulgaria.

763.72119

On June 6th,

On June 6th there was held in the Ministry of Foreign Affairs a meeting of all former Prime Ministers and Ministers for Foreign Affairs, together with the chiefs of those political parties which have not yet given such high officials to Bulgaria. So far as the Legation has been able to learn this meeting was devoted entirely to questions of Bulgarian policy at the Economic Conference.

On the following day Tewfik Ruchdi Bey passed through Bulgaria on his way to the Economic Conference, and the local diplomatic corps has not yet ceased talking and speculating about the events of that day. It had been known for some time prior thereto that Bulgaria's chief delegate to the Conference, Mr. Malinoff, would travel to London by the same train which would carry the Turkish Minister for Foreign Affairs, and this had sufficed to set tongues wagging. But on June 7th, local political observers were amazed to learn that at a railway station near Kritchim, in the vicinity of which King Boris maintains a country place, the express carrying the Turkish statesman was stopped so that the King might board the train and accompany Tewfik Ruchdi Bey as far as Tartar Pazardjik, a distance of some twenty-five or thirty kilometres. At Sofia, the train was boarded not only by Mr. Malinoff on his way to London, but by Mr. Mooshanoff also, who travelled as far as the Bulgarian border with the Turkish Minister for Foreign Affairs. No doubt these unusual marks of favor bestowed on Tewfik Ruchdi Bey were intended as amends for the absence of Mr. Mooshanoff

from

from the Sofia station when Tewfik Ruchdi Bey passed through Bulgaria ten days earlier on his way home from Geneva, but why, ask many members of the local diplomatic corps, and especially the French and the Yugoslav Ministers, was it necessary for the Bulgarian Chief of State and the head of the Government to be so fulsome in their flattery if Turkey and Bulgaria are not cooking up a witch's brew at the very moment when a serious effort is being made to lessen the international tension?

In the opinion of the Legation the explanation of this somewhat extraordinary attention paid to the garrulous Turkish statesman is to be found in the statement made by Mr. Mooshanoff to the Foreign Relations Commission of the Sobranje to the effect that Turkey is desirous of clearing the way for collaboration between all Balkan states, and that it has therefore sought to help in the realization of a settlement between Bulgaria and Greece. As seen by the Legation, there does not appear to be anything sinister in Turkey's desire to bring about better relations between Bulgaria and Greece. From this vantage point it would appear that Turkey seeks to clear the path for Balkan collaboration in the hope of thereby freeing the peninsula, and liberating itself, from the conflicting influences of the Great Powers. In other words, Turkey seeks to canalize the now diffused forces of the movement of "the Balkans for the Balkan peoples", hoping thereby to assure for itself the condition necessary to its own political and economical development along western lines, which condition is peace. The initial step was rapprochement

with

with Greece. The next, so it is believed the Turks hope, will be a settlement between Bulgaria and Greece. As Tewfik Ruchdi Bey is reported to have explained to a leading Bulgarian journalist recently, it should be easier to regulate the Balkan problem by proceeding from South to North. Once Bulgaria and Greece are friends, so Tewfik Ruchdi Bey is reported to have explained, it will be easier to settle the questions in suspense between Bulgaria and Rumania, and then those between Bulgaria and Yugoslavia.

The Bulgarian Minister at Ankara has returned to Sofia within recent days, and according to him also, Ankara is not seeking to set up a counter-weight to the Little Entente. As he explains matters, Turkey is anxious to explore the ground for Balkan understanding, hoping thereby to end once and for all the subservience of the Balkans, including Turkey, to the conflict of interests between the Great Powers in this part of the world.

Respectfully yours,

Henry W. Shoemaker

Henry W. Shoemaker.

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2 copies to E.I.C.
1 copy to the Embassy at Ankara.

710.
MBB:FM

DOCUMENT FILE

NOTE

768.74/314

SEE 867.9111/403 FOR Report #-

FROM Istanbul (Allen) DATED June 28, 1933

TO NAME

1—1127 ofo

REGARDING:

Statement of Greek Prime Minister that there is nothing to rumors of a Turko-Bulgaro-Greek pact. Present aim is that the existing treaty of amity and treaty of commerce be supplemented by a "more intimate drawing-together".

A statement borrowed by the local press from the Belgrade PRAVDA makes the Greek Prime Minister say that there is nothing to rumors of the prospective rise of a new political constellation in the form of a Turko-Bulgaro-Greek pact. It would seem that it is desired that the existing treaty of amity and treaty of commerce be supplemented by a "more intimate drawing-together" and that conversations having this in view are going on and will be activated when Mr. Tsaldaris and his Minister of Foreign Affairs go to Ankara in September. However, it is said, the two governments have nothing in mind other than "the solution of problems by peaceful means" and sensational reports to the contrary should not be believed.

A Further Turko-Greek Pact Rumored

767.62
767.74
767.74
767.74

Ten Greek university students who recently visited Ankara were entertained by Hassan Bey, vice-president of the Grand National Assembly and head of the Turkish Balkan Pact group.

Greeks Entertained At Ankara

Rumania

768.74/315

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PREPARED FOR MICROFILMING

768.74/315

Decimal File Number

Name Gerald K Haines

Date 11/21/79

DOCUMENT FILE

NOTE

768.74/316

SEE 867.9111/404 FOR Report #-

FROM Istanbul (Allen) DATED July 22, 1933

TO NAME

1—1127 o.p.o.

REGARDING:

Turko-Bulgaro-Greek pact.

Report that a - is under consideration.

316

W1

767.68
767.74
768.74

Although the preceding report had said that it had been denied that a Turko-Bulgaro-Greek pact was in prospect, the local press now understands that, as a result of certain private conversations among delegates to the London economic conference and also as a result of the conversations of the Turkish Foreign Minister at Paris and

and Rome, such a pact is now actively under consideration. At the close of the period under review, the Turkish Foreign Minister was en route from Rome to Athens where he had arranged through the Greek Minister to Italy to be received by Mr. Tsaldaris. One gathers that the pact in question was to be the principal topic of discussion and that the formation of the pact has the approval and support of both France and Italy.

The Turko-Bulgaro-Greek Pact

DOCUMENT FILE

NOTE

768.74/317

SEE 767.6812 Non-aggression/6 FOR #29

FROM Greece (MacVeagh) DATED Oct.24, 1933

TO NAME

1—1127 o.p.o.

REGARDING:

Turco-Greek non-aggression pact will probably result in a set-back as concerns relations between Greece and Bulgaria. Bulgarian resentment at this move.

DOCUMENT FILE

NOTE

768.74/3178

SEE 774.00/70 FOR #770

FROM Bulgaria (Barnes) DATED Oct.27, 1933

NAME

TO

1—1127 OFO

REGARDING:

Bulgaria is agreeable to the establishment of a mixed commission to liquidate the non-political questions outstanding between Bulgaria and Greece.

3/2

Wi

DOCUMENT FILE

NOTE

768.74/319

SEE 767.6812 Non-aggression/7 FOR #33

FROM Greece (MacVeagh) DATED Oct.27, 1933

TO NAME

1—1127 o.f.o.

REGARDING:

Statement of French Minister that Yugoslavia and her urge towards Salonika are more dangerous to Greece than Bulgaria at the present time.

319

W1

LEGATION OF THE
UNITED STATES OF AMERICA

Sofia, Bulgaria, December 13, 1933.

No.793

SUBJECT: BULGARIN POINT OF VIEW ON THE QUESTION OF AN OUTLET ON THE AEGEAN.

DEC 26 33

Copy to MED

DEPARTMENT OF STATE
A-C/
JAN 13 1934
ASSISTANT SECRETARY OF STATE

Assistant Secretary of State
JAN 12 1934
MR. SAYRE

DEPARTMENT OF STATE
DEC 27 1933
DIVISION OF NEAR EASTERN AFFAIRS

Office of Economic Adviser
JAN 11 1934
DEPARTMENT OF STATE

768.74/320

FILED
JAN 19 1934

CONFIDENTIAL

The Honorable

The Secretary of State,

Washington.

Sir:

Since the signature on September 14, 1933, of the Turco-Greek pact, in which the two parties mutually guarantee their common frontier, there has been considerable discussion, both in Bulgaria and abroad, of the question of a Bulgarian outlet on the Aegean. It would therefore seem appropriate to inform the Department of my understanding of the Bulgarian view on this question as it has been revealed to me in recent conversations with Bulgarian officials and political leaders. Briefly stated the Bulgarian view appears to be somewhat as

follows

follows:

It is true that the Treaty of Neuilly speaks only of an economic outlet. But it was with the Allied and Associated Powers that Bulgaria was ultimately to negotiate on the question; it was to them that Bulgaria ceded its former territory on the Aegean and it was they who guaranteed to Bulgaria in the Treaty of Neuilly an appropriate economic outlet on the Aegean. With Greece, Bulgaria cannot reach an understanding because an agreement satisfactory to Bulgaria must of necessity be of such a nature as to prove unacceptable to Greece, in the absence of pressure from the Great Powers. This situation results from the policy adopted by Greece with reference to the minorities. Greece might be willing to conclude a perfect agreement, in so far as the technical provisions with reference to transit and the management of the port would be concerned. But such an agreement could have no meaning so long as minority rights are not assured to Bulgarian nationals on Greek territory. Without these rights no Bulgarian merchant would establish himself in Greece. In consequence Bulgaria cannot hope to obtain an agreement by direct negotiations with Greece which would assure the handling of Bulgarian commerce through the outlet by Bulgarian merchants. The effect of any agreement with Greece on the subject, so long as Greece withholds minority rights, would be to place Bulgarian commerce in the hands of Greek factors. Rather than consent to such a development Bulgaria would rather retain its cause for complaint on

the

the grounds that its rights under the treaty have not been respected than to get lost over the question of the Aegean outlet in the maze of the minorities question.

In presenting the foregoing view to the Department I do not wish to imply that the Bulgarian reasoning is necessarily sound, and based on reality. At the same time it should be understood that the view exposed above is held here with considerable conviction, and that in consequence it is the minorities problem which is at the bottom of the problem of a Bulgarian outlet on the Aegean, just as it is at the bottom of most major problems in the Balkans.

Respectfully yours,

Maynard B. Barnes,
Charge d'Affaires ad interim.

6

710
MBB:MC

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4 carbon copies out of [illegible] Jan. 13, 1934- E.A.L.

LEGATION OF THE
UNITED STATES OF AMERICA

Sofia, Bulgaria, December 27, 1933.

No.804

SUBJECT: RETURN OF BULGARIAN DELEGATION FROM ATHENS.

DEPARTMENT OF STATE
JAN 10 34
ASSISTANT SECRETARY OF STATE
A-C/C
JAN 22 1934

THE UNDER SECRETARY
JAN 19 1934
DEPARTMENT OF STATE

Office of Economic Advisor
JAN 19 1934
DEPARTMENT OF STATE

FOR DISTRIBUTION
To
In U.
Copy to M.D

Assistant Secretary of State
JAN 20 1934
MR. SAYRE

JAN 11 1934
DIVISION OF NEAR EASTERN AFFAIRS

FILED
JAN 24 1934

763.74/321

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to inform the Department that the Bulgarian delegation, charged with the negotiations looking to a settlement of the pending questions with Greece, returned yesterday to Sofia, following the provisional adjournment of the negotiations in Athens. Inquiries made as to the progress to date of the negotiations and as to the reason for the provisional adjournment have elicited the information that satisfactory formulae have been found for all the vexatious claims and counter-claims, except as regards reparations and

Kafandaris

Kafandaris-Molloff payments. On these issues the two delegations were unable to come to terms, the Greeks maintaining that reparations are still due from Bulgaria and must figure in the global settlement, whereas the Bulgarians insisted that the question of reparations should be left aside and the balance struck on the basis of the claims formulae and the amounts due Bulgaria under the Kafandaris-Molloff agreement. It is my understanding that acceptance of the Greek thesis would oblige Bulgaria to pay approximately 500 million leva to Greece, whereas acceptance of the Bulgarian contention would require the payment of a similar amount by Greece. In other words, it appears that the difference between the two delegations, in terms of money, is approximately one billion leva. After discussions between the members of the Bulgarian delegation and the competent officials of the Bulgarian Ministry for Foreign Affairs a decision will doubtless be taken as to the next move to be made.

Respectfully yours,

Maynard B. Barnes,
Charge d'Affaires ad interim.

710
MBB:MC

LEGATION OF THE
UNITED STATES OF AMERICA

Assistant Secretary of State
JAN 20 1934
MR. SAYRE F.B.S.

No. 103 Athens, December 27, 1933.

Subject: The Suspension of Economic and Commercial Negotiations between Greece and Bulgaria.

Office of Economic Adviser
JAN 19 1934
DEPARTMENT OF STATE

FOR DISTRIBUTION
Copy to MID
JAN 22 1934

AM RECD

768.74/322

The Honorable
The Secretary of State,
Washington, D. C.

THE UNDER SECRETARY
JAN 20 1934
DEPARTMENT OF STATE

DEPARTMENT OF STATE
JAN 11 1934
DIVISION OF NEAR EASTERN AFFAIRS

768.74

Note 668.74

Sir:

I have the honor to report that on November 19 a Bulgarian delegation composed of Messrs. Stoyanoff, Karadjoff, and the Bulgarian Minister to Greece, Mr. Neicov, entered into conversations at Athens with a Greek delegation comprising Mr. Pappas, Mr. Rossettis, Mr. Coustas, and Mr. Pipinelli, all of the Foreign Office, in regard to a number of economic and financial questions which have been pending between the two countries. According to Premier Mouchanoff, these conversations were decided upon by him and Premier Tsaldaris at their recent meeting in Geneva.

FILED
JAN 24 1934

Almost daily sessions had been held at the Ministry of Foreign Affairs for nearly a month, when negotiations were suddenly suspended. On December 18, Mr. Maximos, the Hellenic Minister for Foreign Affairs, gave out the following statement to the press:

> "During the conferences which have been taking place between the Greek and Bulgarian representatives, the general lines of an agreement looking to the settlement of all the economic questions under litigation between the two States, as well as to the conclusion

of

"of a commercial agreement, have been laid down. During the carrying out of this program, however, certain difficulties have arisen, and among others, the calculation of indemnities to private citizens of the two countries. This last has necessitated a detailed investigation of such questions by the two parties. It has therefore been considered indispensable to adjourn the conferences for the time being, while continuing to maintain contact between the delegations through their presidents."

Mr. Stoyanoff and Mr. Karadjoff returned to Sofia a couple of days later.

Mr. Neicov, my Bulgarian colleague, has informed me that no definite agreement, either political or economic, was actually reached during the conversations in question. A number of problems were taken up, but the claims on both sides appeared so exhorbitant that further investigation seemed necessary before they could be dealt with properly. As an instance of the sort of thing he meant, he cited the recent Greek claim to the Rhodope Mountain forests which finally had to be reduced by Unden, the Swedish arbiter, from 1,300,000,000 drachmas to 13,000,000 drachmas! Mr. Neicov further said that,as the sessions wore on,it appeared to be the opinion of the Greek delegation that the questions at issue might more easily be settled at a later date,when the general political situation in the Balkans had somewhat cleared. If Bulgaria should become a party to a general Balkan pact, as the Greeks desire, a more conciliatory attitude towards all questions under discussion might be expected.

Respectfully yours,

Lincoln MacVeagh

Lincoln MacVeagh,
American Minister.

Legation File No. 800

GG/LMacV/cwf

LEGATION OF THE
UNITED STATES OF AMERICA

Sofia, Bulgaria, December 16, 1933.

No.794

JAN 10 34

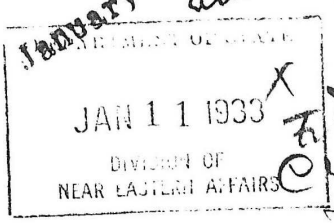
768.74/323

FOR DISTRIBUTION -

The Honorable

The Secretary of State,

Washington.



January 16 1934 Answd. 1/13/34 CWA/LS

Sir:

I have the honor to inform the Department that all of the copies made of the Legation's despatch No.793, of December 13, 1933, on the Bulgarian point of view on the question of an outlet to the Aegean, were inadvertantly sent to the Department in the pouch that left here on December 13. It is therefore respectfully requested that the Department return one copy of this despatch to the Legation for its files.

768.74/320

FILED JAN 16 1934

Respectfully yours,

Maynard B. Barnes

Maynard B. Barnes,
Charge d'Affaires ad interim.

710
MBB:MC

January 16 1934

No. 154

To the American Chargé d'Affaires ad interim,

Sofia.

The Acting Secretary of State refers to the Legation's despatch No. 794 of December 16, 1933, and, in accordance with the request contained therein, returns herewith for the Legation's records a copy of the Legation's despatch No. 793 of December 13, 1933.

768.74/323

Enclosure:

Copy of despatch No. 793,
December 13, 1933.

768.74/323

NE CWA/LS

CWA

A true copy of the [illegible] orig.

DOCUMENT FILE

NOTE

768.74 /324

SEE 770.74/10 FOR #104

FROM Greece (MacVeagh) DATED Dec. 27, 1933
TO NAME

1—1127 GPO

REGARDING:

Greco-Bulgarian relations.

Conversation with the Bulgarian Minister concerning -.

W1

No. 104 Athens, December 27, 1933.

Confidential

Subject: Views of the Bulgarian Minister on the Balkan situation.

768.74/74

The Honorable

The Secretary of State,

Washington, D. C.

768.74

Sir:

In further reference to my despatches No. 51 of November 21, No. 34 of November 6, and No. 33 of October 27, 1933, I have the honor to report that the other day the Bulgarian Minister, Mr. Neicov, called on me and discussed again at length and with great apparent frankness the Balkan situation as it affects his country. He said that Bulgaria is accused of being "révisioniste," but that the accusation is untrue. She is not révisioniste; she has kept the treaties. What she claims is - it is Mr. Neicov speaking - that her neighbors have not kept them. Asked to explain exactly what he meant, he said he referred to the treatment accorded the Bulgarian Minorities. With great earnestness he argued that if Bulgaria's neighbors would only show some willingness to meet her on the question of the treatment of the Mihorities, particularly in Yugoslavia, they would not find her difficult on the question of the Aegean corridor. This latter he reiterated was a question which could easily be settled,

once

once really amicable relations prevailed. He spoke at length of the Bulgar's love of the soil and the Greek's passion for trading, and betrayed a certain covetous regard for the reclaimed Macedonian lands while he developed the thesis of the supplementary natures of the two peoples, which eventually would give, by peaceful penetration, the soil to the Bulgarians and the coastal towns and shipping to the Greeks. If Greece and Bulgaria were really friendly, boundaries would not count. But to be friendly, Bulgaria must receive atleast some consideration of the Minority question.

Mr. Neicov seemed pathetically anxious that the American Government should appreciate his country's quandary. The project of a general Balkan pact is coming more and more to the fore at present. Mr. Neicov thinks that Maximos' trip to Paris and Rome is chiefly concerned with this question, to sound out the attitude of the Powers. Bulgaria cannot afford to appear as obstructing so noble a cause as that of the general peace. She has therefore got to make her real reason for intransigeance known as widely as possible.

As Mr. Neicov is a very able man indeed and the new British Minister here is his friend, and sympathizes with the Bulgars to a considerable extent, it seems to me that Sofia may be entertaining some hopes of winning Greece to an understanding. I therefore asked Mr. Neicov what he finds the attitude of the Hellenic Government to be. He replied that it is difficult to interpret Tsaldaris, and added that Titulesco's visit to Delphi immediately after his talks here with the Government had been attributed

to

to a wish to ask the gods what the Premier's remarks really meant. But Mr. Neicov told me that Mr. Veniselos had assured him that were he in power, the first thing he would do would be to go to Belgrade and insist on something being done. He said also that Mr. Veniselos, who is responsible for the enormously high tariff wall against Bulgaria, has changed his ideas radically. Perhaps the Popular Party will follow him, as it did in the Turkish rapprochement, before it is too late.

Mr. Neicov said Bulgaria realizes she cannot hope for a recourse to arms. She is solidly encircled by countries well satisfied with their boundaries and united by pacts upholding the status quo. He expressed the feeling that Germany was too thoroughly shut off from the Balkans for her influence to be of much avail here now, and he also indicated that his country had no great faith in the advances of Italy. He stated definitely that the policies of France were dominant in this theatre at present, and his own great anxiety not to be thought <u>révisioniste</u> certainly gives this idea support.

Respectfully yours,

(Signed)

Lincoln MacVeagh,
American Minister.

Legation File No. 800

LMacV/cwf

DOCUMENT FILE

NOTE

768.74/325

SEE 760h.68/51 FOR #56

FROM Yugoslavia (Wilson) DATED Dec.23, 1933

TO NAME

1—1127 o.r.o.

REGARDING:

Conversation between the Greek and Yugoslav Foreign Ministers, during which Yugoslav-Bulgarian relations were probably discussed. Rapprochement between those two countries will not be viewed with a friendly eye by Greece.

W1

DOCUMENT FILE

NOTE

SEE 868.00 General conditions/40 FOR #237

FROM Greece (MacVeagh) DATED May 3, 1934

TO NAME

1—1127 ere

REGARDING:

Hellenic Government will resort to the League of Nations to compel Bulgaria to comply with the arbiter's decision concerning compensation to the owners of the Dospat Dage forest.

Wi

763.74 /326

768.74

It is reported in the press that the Hellenic Government will resort to the League of Nations to compel Bulgaria to comply with the arbiter's decision concerning compensation to the owners of the Doiran Lake forest.

No. 1014 Political

AMERICAN CONSULATE

Geneva, Switzerland, September 24, 1934.

SUBJECT: Greco-Bulgarian Relations - Dispute Concerning the Forests of Rhodope - Relationship to Other Outstanding Financial Disputes.

THE HONORABLE
THE SECRETARY OF STATE
WASHINGTON

SIR:

I have the honor to report that in the course of a recent discussion before the League Council concerning a dispute between Greece and Bulgaria respecting certain forests in Rhodope, the Greek and Bulgarian delegates announced the willingness of their Governments to resume negotiations for the settlement of their other outstanding financial differences. In reporting this question I wish to state that I have kept in mind the Department's "Informal Comments" on the Consulate's telegram No. 110 of September 8, 1931, 3 p.m., instructing me to keep the Department informed of any discussions of this nature that might occur in Geneva. The development of the question before the Council is described below.

Referring to an arbitral award rendered on March 29, 1933, by Mr. Unden of Sweden in the matter of a dispute which had arisen regarding certain forests in Central Rhodope, the Greek permanent delegate, in a letter to the Secretary-General,

dated

OFFICE OF ECONOMIC ADVISER
16 1934
DEPARTMENT OF STATE

ASSISTANT SECRETARY
A-S/T
DEC 4 1934
DEPARTMENT OF STATE

DEPARTMENT OF STATE
OCT 10 1934
DIVISION OF WESTERN EUROPEAN AFFAIRS

TREATY DIVISION
OCT 17 1934
DEPARTMENT OF STATE

Assistant Secretary of State
DEC 6 - 1934
MR. SAYRE

FILED
DEC 11 1934

768.74/327

1/ dated September 6, 1934 (enclosed with this despatch) stated that Bulgaria had so far refused to carry out this award; he accordingly requested that the matter be placed on the Council's agenda with a view to the application of Article 13, paragraph 4, of the Covenant.

At the Council meeting of September 19, the Bulgarian representative explained that his Government fully intended to execute the provisions of the award but that owing to its shortage of foreign exchange, it found itself faced with the impossibility of paying the amount of the indemnity in cash; he stated that Bulgaria was prepared, however, to acquit its obligations under the award by deliveries in kind. The Greek delegate declared his Government's willingness to settle the question on this basis and asserted that it was ready to enter into negotiations regarding the nature and the amount of the deliveries in kind.

The Bulgarian representative then recalled that there were a number of financial issues between the two countries which were still unsettled and that his Government was anxious to resume the negotiations looking toward their settlement which had been broken off in December, 1933. He requested the British delegate, who was the Council's rapporteur for the question of the dispute concerning the forests of Rhodope, to lend his good offices with a view to obtaining a resumption of these negotiations. The Greek representative stated that, while his Government was willing to resume discussion of the other questions at issue, it considered that they should be taken up after the question of the payments to be made in respect of the

forests

forests of Rhodope had finally been settled. The British delegate consented to lend his good offices for the purpose mentioned by the Bulgarian representative and requested both parties to keep him informed of the progress of their negotiations concerning the question submitted to the Council.

The point of chief significance in the affair is, of course, that a favorable outcome of the matter referred to the Council may be used to set in motion once again the machinery for the settlement of the other financial disputes. As to what these disputes precisely are, I have found nobody here qualified to enumerate them, not even the Bulgarian and Greek representatives themselves, but it is commonly understood that they involve a whole series of claims and counter-claims relating to questions arising from the Balkan and World wars, the execution of the Moloff-Caphandaris agreement concerning refugees, and so forth. I assume, however, that the Department has received more complete information concerning these differences from reports from our missions at Sofia and Athens. The comparative ignorance in Geneva of the exact nature of these disputes is evidently due to the fact that it was not decided until almost the last moment to link them up with the matter before the Council. That this was done at all is due, I am told, to skilful negotiations on the part of officials of the League Secretariat who prevailed upon both delegates to obtain the consent of their governments to an early re-consideration of all their outstanding difficulties. Various authorities consider this result as all the more remarkable inasmuch as

the

the Greeks on coming to Geneva let it be known that in Bulgaria's failure to execute the arbitral award concerning the forests of Rhodope they had a good case which they meant to exploit before the Council to humiliate Bulgaria because of its attitude toward the Balkan Pact.

While the prospect of an inclusive settlement is still far distant, League officials tell me that they have endeavored to impress upon both parties the mutual advantages of an improvement in their relations. With the Greeks they also used the argument, for what it may have been worth, that a settlement with Bulgaria might be a step toward bringing that country into the Balkan Pact inasmuch as Bulgaria has made it clear that it did not intend to undertake multilateral obligations of the character specified in the Pact until its particular differences with its various neighbors had been settled.

Another point of interest is the apparent hesitancy of the Greeks, as implied by their statement before the Council, to resume immediately negotiations with the Bulgarians respecting the ensemble of their financial disputes. It is understood here that, owing to the forthcoming general elections in Greece, that Government is unwilling at this time to place itself in a position where it might have to make certain unpopular concessions to Bulgaria. The Bulgarian delegate told me that his country on the other hand is anxious that the negotiations be resumed as quickly as possible and that it is counting upon the mediation of the British Government, which was promised by its representative on the Council, to

ensure

ensure that the discussion of the other questions be taken up shortly after the dispute concerning the forests of Rhodope had been disposed of. As regards the nature of the payments in kind to be made for these forests, the Bulgarian representative informed me privately that his Government contemplated offering deliveries of cattle and brown coal, the latter being a commodity which his country possessed in considerable abundance and which was comparatively easy to produce inasmuch as it is mostly taken from surface mines.

Respectfully yours,

Prentiss B. Gilbert

American Consul

Enclosure:
No.1: Copy of League Document
C.394.1934.V.

JDB/EW

Original and 3 copies to Department of State.
1 copy to American Legation, Sofia, Bulgaria.
1 copy to American Legation, Athens, Greece.
1 copy to American Legation, Bern, Switzerland.

COPY.

Enclosure No 1
with No 1014 Pol of
Sep. 24 1934

LEAGUE OF NATIONS

Communicated
to the Council.

C.394.1934.V.

Geneva, September 10th, 1934.

DISPUTE BETWEEN GREECE AND BULGARIA CONCERNING THE FORESTS OF RHODOPE.

Request submitted to the Council by Greece under Article 13, paragraph 4 of the Covenant.

Note by the Secretary General.

The Secretary-General has the honour to communicate to the Council the following letter, dated September 6th, 1934, which he has received from His Excellency M. Raphael, Permanent Delegate of Greece.

At its meeting on October 2nd, 1930, the Council, in conformity with Article 181 of the Treaty of Neuilly, appointed M. Unden as arbitrator to deal with a dispute which had arisen between Greece and Bulgaria concerning certain forests situated in Central Rhodope.

The arbitral award rendered on March 29th, 1933, was communicated to the Council at its meeting on May 22nd, 1933.

As the Bulgarian Government has so far refused to carry out that award, I am instructed by my Government to request you to be good enough to place this question on the Council agenda with a view to the application of Article 13, paragraph 4, of the Covenant.

I have the honour, etc.

(Signed) R. RAPHAEL,

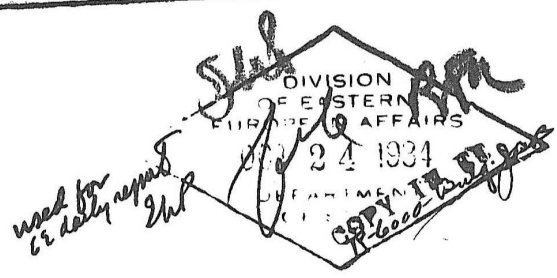
Permanent Delegate.

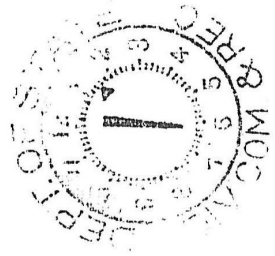
EMBASSY OF THE
UNITED STATES OF AMERICA

No. 190

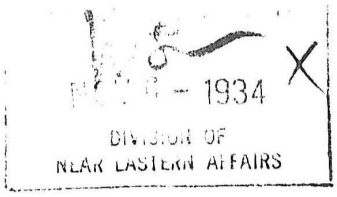
Moscow, October 2, 1934.

Subject: Conversation between Ambassador Bullitt and first Bulgarian Minister to Moscow.





PM RECD



For Distribution Check	Yes	No
Grade For		

768.74/328

The Honorable

The Secretary of State,

Washington, D. C.

FILED
NOV 13 1934

Sir:

I have the honor to report a conversation which I have just had with the first Bulgarian Minister to the Union of Soviet Socialist Republics, Doctor D. Mihaltchev.

Doctor Mihaltchev said that the object of Bulgaria in resuming diplomatic relations with the Soviet Union was to attempt to obtain the support of the Soviet Union and Turkey in the question of Bulgarian access to the Aegean Sea. He stated that Bulgaria had made repeated efforts to develop a close relations with Turkey but that the Turks had remained extremely cold and suspicious.

He

He alleged that the reason for this suspicion was that the Turks believed that Bulgaria desired to obtain not only Dedeagatch and Kavala but also control of the railroad which leads to those ports via Adrianople.

Doctor Mihaltchev said that he had been instructed to attempt to obtain the assistance of the Soviet Government in establishing close relations between Turkey and Bulgaria. He said that he had orders to say that Bulgaria desired to establish the same sort of relations with the Soviet Union and Turkey that now existed between the latter states.

In amplifying this statement he said that Bulgaria was ready to be the same sort of "client state" of the Soviet Union as Turkey. He said that he intended to inform the Soviet Government that his Government was ready to give Turkey every conceivable guarantee that Bulgaria had no designs whatsoever on any inch of Turkish territory. He said that in return for Bulgarian cooperation with the Soviet Union and Turkey he had been ordered to request that Bulgaria should have the support of the Soviet Union and Turkey in attempting to obtain from Greece a strip of land connecting Bulgarian territory with Dedeagatch or Kavala or both.

I asked Doctor Mihaltchev why the provisions of the Treaty of Neuilly with regard to the free exit to the Aegean did not satisfy Bulgaria. He replied that the Greeks had offered to build a free port for Bulgaria in Salonika but that Bulgaria had refused to use such a port because she did not wish to become embroiled with Yugoslavia which

already

already had a free harbor in Salonika and aspired to obtain some day possession of Salonika. He said that his Government had suggested to the Greek Government that a free port should be built for Bulgaria at either Dedeagatch or Kavala, that the Greek Government had refused this request but had offered to allow the Bulgarian Government to build such a free port with its own funds. He said that his Government was unwilling to spend its meager capital in building a free harbor for itself at either Dedeagatch or Kavala because such a harbor would at all times be subject to seizure by the Greeks.

In further amplifying his remarks with regard to the reluctance of the Bulgarian Government to do anything which might embroil it with the Government of Yugoslavia, Doctor Mihaltchev said that it was now the established policy of Bulgaria to cultivate close and friendly relations with Yugoslavia and that nothing would be done which might revive conflict in Macedonia.

I am under the impression that the Turks value too highly their relations with Greece to be ready to enter into any rapprochement with Bulgaria which would involve taking a hostile attitude toward Greece.

The Department is doubtless already fully cognizant of the trends in Bulgarian policy indicated above and I should be grateful for any advice the Department may care to give me as to the probable accuracy or inaccuracy of the statements of the new Bulgarian Minister. Doctor Mihaltchev, in making the above remarks, was speaking emotionally and seemed also to be speaking frankly, and it seemed to me not without interest that a Bulgarian Minister should

make

make the statement that his country was ready to place itself in the position of a "client state" with respect to the Soviet Union.

Respectfully yours,

William C. Bullitt.

William C. Bullitt.

1 copy a-m

Qn.

710
WCB/CO

DEPARTMENT OF STATE
RECEIVED
OCT 29 1936
DIVISION OF
COMMUNICATIONS AND RECORDS

DCR

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

DIVISION OF
EAST EUROPEAN AFFAIRS
NOV 8 - 1934
DEPARTMENT
OF STATE

November 8, 1934.

included in comments to Moscow

EE:

Suggested comment on Mr. Bullitt's despatch No. 190, of October 2, 1934: (conversation with Bulgarian minister)

It is the Department's understanding that the Greco-Turkish Pact of Non-Aggression of September 14, 1933, in which the two states undertook mutually to guarantee the inviolability of their common frontier, and the Pact of Balkan Understanding of September 9, 1934, by which Greece, Rumania, Turkey and Yugoslavia mutually guaranteed the security of all their Balkan frontiers, quickened Bulgaria's desire for the reestablishment of relations with Russia.

Turkey's new role of guarantor of the status quo in the Balkans increases the obstacles to Bulgarian access to the Aegean and to a settlement of the Dobrudjan question favorable to Bulgaria. At the same time Turco-Greek collaboration appears illogical and therefore temporary to the Bulgarian mind. But fear of Bulgaro-Yugoslav rapprochement, which rapprochement is recognized at Sofia as the most effective route to territorial revision in the Balkans, has, in the opinion of Sofia, blinded the Turks to the realities of the situation. ~~Moscow~~ The Kremlin might ~~can~~ therefore perform the useful function of recalling these realities to Turkey ~~and~~ assuring Ankara that Bulgaro-Yugoslav collaboration will never be permitted to harm Turkish interests. Moscow in the role of ultimate arbiter of the Balkan situation seems natural to Sofia, as Bulgarian opinion holds that Soviet Russia must ultimately play as dominant a role in the Balkans as that which was so long played by Imperial Russia. To state the matter briefly, Bulgaria seeks to nullify the Balkan Pact, ~~and~~ especially the Greco-Turkish Pact of Non-Aggression, by inviting Soviet Russia to take up its heritage in the Balkans.

MBB/LS

F.W. 768.74/328

F.W. 768.74/328

LEGATION OF THE
UNITED STATES OF AMERICA

No. 65. Sofia, Bulgaria, October 16, 1934.

Subject: Greco-Bulgarian Claims.

SPECIAL ASSISTANT TO THE SECRETARY
NOV 14 1934
MR. HEWES

LEGAL ADVISER
DEPARTMENT OF STATE

DEPARTMENT OF STATE
C/C
NOV 2 - 1934
ASSISTANT TO THE SECRETARY

768.74/329

Assistant Secretary of State
NOV 13 1934
MR. SAYRE

OFFICE OF ECONOMIC ADVISER
NOV 10 1934
DEPARTMENT OF STATE

NOV 5 - 1934
DIVISION OF NEAR EASTERN AFFAIRS

FILED
NOV 15 1934

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to report on the present status of the Greco-Bulgarian claims.

Following the letter addressed to the Council of the League of Nations by Greece, claiming that Bulgaria had refused to carry out its obligations under the Unden arbitral decision, Mr. Batoloff, Minister of Foreign Affairs and Bulgarian delegate to the League session in September, explained at Geneva that Bulgaria had never refused but that the shortage of foreign currency made it a very difficult problem to transfer the 475,000 Swiss francs (equal to about 12,500,000 levas)

due

due to Greece. Mr. Batoloff stated further that the Bulgarian Government was willing to consider any other modalities of payment, among others a payment in kind. After this offer was accepted by the Greek delegate, Mr. Batoloff mentioned that there were other financial problems pending between Greece and Bulgaria which must be settled, and stated that the desire of the Bulgarian Government has always been to resume the negotiations broken off in December, 1933. He asked the British delegate and rapporteur to the Council on the letter of the Greek government to lend his good offices for a prompt solution of these pending claims. Mr. Eden after having congratulated the two parties on their intention of settling their reciprocal claims, expressed the hope "that that intention will not be allowed to remain merely an intention and that the negotiations once resumed will be pressed forward without interruption to a conclusion." "I shall be grateful", he said, "to the representatives of the two governments if they will keep me informed of the progress of the discussions, and hope at a later session of the Council to be in a position to let my colleagues know that these complicated questions which have long brought an element of uncertainty into the relations of Bulgaria and Greece have been finally disposed of."

The discussion of the Greek questions at Geneva is considered as very satisfactory here. The payment in kind of the amount due to Greece may serve to revive economic relations and to reopen to Bulgarian export the Greek market which has been almost entirely lost

since

since the denunciation of the Treaty of Commerce in 1930. Far more important, however, from the Bulgarian point of view is the fact that the question of the Greco-Bulgarian claims has been taken up and discussed before the Council. Ever since the interruption of the negotiations in December, 1933, the Greek government has constantly postponed their resumption, hoping perhaps that the Balkan Pact might bring Bulgaria to a more conciliatory mood. As Mr. Mooshanoff stated to Sir John Simon in April of this year, the Bulgarian government was willing to take up the negotiations at the earliest date possible. Greece has been reluctant so far to do so. Now that the question has been brought before the League Council - this as an indirect result of the complaint addressed by Greece to the Council - and that the British delegate has taken upon himself to act as mediator and to keep the Council informed of the progress of the negotiations, it is hoped here that Greece will not be in a position to delay the discussion longer under any plausible pretext. The Greek initiative in Geneva has acted as a boomerang which has rebounded to the credit of the Bulgarian delegation. Instead of placing Bulgaria in a difficult position before the Council, Greece herself contributed to raise a question which has been her constant endeavor to postpone, and the further development of which is to be more or less under the aegis of the League.

As the settlement of the Unden payment was a preliminary condition to the resumption of the negotiations, as soon as King Alexander's visit was over Mr. Batoloff

summoned

summoned to Sofia Mr. Neikoff, Bulgarian Minister to Athens and chairman of the Bulgarian delegation which had conducted the negotiations in 1933. A project is now being considered of effecting a first payment in kind of about 2,500,000 levas representing the value of cattle bought every fall in Bulgaria for Greece, and this amount in Swiss francs would be transferred to the Greek government for the account of the Unden payments. At a conference held by Mr. Batoloff, Mr. Neikoff and Mr. Boyadjieff, Minister of National Economy, a further list was drawn of the Bulgarian products which can be offered to Greece as payments in kind. The negotiations will take place in Athens. Once this question has been settled, the Bulgarian Government will insist that the remaining claims be taken up again.

474.51

Respectfully yours,

F. A. Sterling

400.
Cr. 710.
t.

FAS:S.

DOCUMENT FILE

NOTE

768.74/330

SEE 374.1164 American Farm School/4 FOR #86

FROM Bulgaria (Sterling) DATED Dec.5, 1934

TO

NAME

1—1127 ofo

REGARDING:

Visit of the Bulgarian Minister of Education to Greek Macedonia and his friendly reception by Greek authorities.

Wi

No. 66 Sofia, December 5, 1934

Subject: The Near East Foundation.

768.74/330

The Honorable

The Secretary of State,

Washington.

Sir:

Referring to my despatch No. 8, of April 17, 1934, with regard to the transfer to the Bulgarian Government of the folk school and health center at Pordim, previously supported by the Near East Foundation, I have the honor to inform the Department of recent developments in connection with the work of the Foundation.

After the transfer of the School, and at the request of the Government, Mr. Clayton Whipple, who had been assisting Dr. Haskell as Director of Rural Education, was loaned.....

374.11 G. American Farm School / 4

loaned to the Ministry of National Economy to forward its program of rural extension in the provinces. The term agreed upon was until December 1st. It was then the intention of the Foundation to relieve him of his duties in Bulgaria and send him to Syria. Recently, however, as the time approached for his departure, the Government again most earnestly requested the Foundation to allow Mr. Whipple to continue in his assignment, as his services as adviser were felt to be so valuable; and after several interviews between Mr. Archer, the Foreign Director of the Foundation resident at Athens, and the Minister of National Economy, it was agreed that Mr. Whipple should stay on until September 1st next.

In connection with the work of the Foundation a rather interesting event took place a few weeks ago. At Mr. Archer's invitation Professor Mollov, Minister of Education, made an unofficial visit to Greek Macedonia, spending several days inspecting the activities of the Foundation there. Upon his return he stated that his trip had proved of great value in showing what may be accomplished in Bulgaria in the further development of agricultural extension, public health work, home welfare, playgrounds, etc. I gather that the Foundation is much encouraged by the interest shown in its work by the present Government.

Incidentally, it may be observed that Mr. Mollov's reception in Greece was most cordial and friendly, every courtesy being extended to him and his party by the resident officials. Several Greek papers, in commenting on his visit, stated that it would have a good effect on the relations

between.....

between the two countries. It is said to have been the first visit, official or unofficial, of a Bulgarian Cabinet Minister to Greece since the Great War.

Respectfully yours,

F. A. Sterling

File 360/842
FAS/EM

LEGATION OF THE
UNITED STATES OF AMERICA

No. 427. Athens, Greece, December 27, 1934.

Subject: Greco-Bulgarian Financial Negotiations.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report that an official of the Bank of Greece left for Sofia on December 15, 1934, to discuss with the Bulgarian authorities certain financial details connected with the prospective acceptance by Greece of Bulgarian products instead of cash under the Unden award of 1933. The immediate question has to do with the rate of exchange to be used for the leva. The Greek position is that it should be taken at its open market value, which is reported to be as much as 25 per cent below official quotations. This is important since the award specified

payment

payment of 475,000 gold levas, equivalent to Swiss francs, while deliveries in kind would be valued in terms of current leva prices in Bulgaria.

This matter was revived at Geneva last September by the Greek permanent delegate in view of Bulgaria's failure to make the payment provided for in the Unden award rendered on March 29, 1933, under the provisions of Article 181 of the Treaty of Neuilly. The point at issue is the indemnification of several persons, now Greek citizens, for their share in the ownership of certain forests in the Rhodope mountain district, which were acquired under Ottoman rule and nationalized by Bulgaria in 1918. At the request of Greece, the Council of the League in 1930 appointed M. Unden of Sweden as arbitrator. Although his award reduced the original Greek claim by as much as 90 per cent, the decrease in Bulgaria's reserves of foreign exchange by the time the award was communicated to the Council of the League on May 22, 1933, has served as an excuse for delaying payment.

The amount of money involved in the Unden award is relatively unimportant, but it is of interest when considered in conjunction with other obligations of a financial character between Greece and Bulgaria. To summarize the chief items, Greece was indebted to Bulgaria as of July 1, 1931, in the amount of approximately 9,800,000 paper levas, representing the former's share of payments on the Bulgarian prewar debt in accordance with Article 141 of the Treaty of Neuilly. Furthermore, in execution of the Caphandaris-Molloff agreement of December 9, 1927, a principal amount of approximately 1,054,700,000 paper levas was finally fixed on August 19, 1931, as the net obligation of Greece to Bulgaria in

connection

connection with property abandoned in each country by persons emigrating to the other under the Neuilly provisions. Finally, the Hague agreement of 1930 awarded to Greece the greater part of future Bulgarian reparation payments, the "present value" of the annuities scheduled between 1931 and 1966 having been calculated in the former year by Greek officials at 106,277,000 gold marks.

An agreement between the two countries, signed in Athens on November 11, 1931, interpreted the application of the international moratorium on inter-governmental debts, but no actual payments have been made by either government since 1931. Without attempting to evaluate such factors as exchange and interest rates, the present face value at par of the four reciprocal obligations just described results in a net debt on the part of Bulgaria to Greece totalling nearly 92 million Swiss francs. It may be hoped that an arrangement for deliveries in kind in settlement of the Unden award will hasten the final liquidation of these mutual obligations, thereby contributing to the improvement of Greco-Bulgarian relations.

868.51
874.51

Respectfully yours,

Clayson W. Aldridge,
Chargé d'Affaires ad interim.

Legation file No. 710.
Copy to Sofia.

KLR/B

LEGATION OF THE
UNITED STATES OF AMERICA

No. 93

Sofia, December 21, 1934

Subject: Settlement of Greco-Bulgarian Claims

The Honorable

The Secretary of State,

Washington.

Sir

I have the honor to refer to my despatch No. 65 of October 16, 1934, regarding steps toward a settlement of the old dispute between Bulgaria and Greece concerning payment for properties known as the forests of Dospat in the Rhodope Mountains, arbitrated under the Unden decision, and to report that at midnight December 20 an agreement was signed at Sofia under which this affair will presumably be liquidated.

A Greek commission headed by Mr. Kiriakopoulos, delegate....

delegate of the National Bank of Greece, has been in Bulgaria for several days negotiating for payment in kind, Greece being particularly interested in obtaining by this means Bulgarian dairy cattle, especially the native strain of milch cows which have been found to thrive in the Greek climate. The agreement calls for the delivery of cattle to the value of 435,000 Swiss francs plus accumulated interest and a supplementary premium in about the amount usual in commercial transactions. The purchases are to be made at market prices, as soon as the agreement shall be approved by the respective governments.

748.6221
974.6221

The negotiations were complicated by several factors, the chief Greek contention being that the exchange calculations should be made on the basis of the rate for leva lying abroad, under which Bulgarian currency is said to be some 20 percent cheaper than the official rate of the Bulgarian National Bank. The Bulgarian delegation was obdurate, however, since a concession on this point would amount to a recognition of what may be called a commercial rate co-existant with but 20 percent below the official rate. The Bulgarian position was strengthened by evidence that at present prices the cows, purchased at the official exchange rate, could be sold at a profit in Greece, and it was thus argued that the official exchange rate does not represent an artificial level of values. The supplementary premium recognized by Bulgaria probably amounts to a concession to the Greek view.

The.....

The discussions also lost some cordiality when it was observed that the Greek agents who would do the bargaining for the cows when the transfer begins are individuals whose claims before the Greek Government are to be satisfied with the proceeds of the transactions This raises the suspicion that there may be unpleasantnesses when the selection and valuation of the cattle begin. Generally speaking, however, the feeling is that the agreement offers a good solution of an annoying problem and that Bulgarian interests have been satisfactorily protected.

The text of the agreement, which probably contains nothing of general political interest, is not yet available.

Respectfully yours,

F. A. Sterling

File 400
CWC/MM

Copy to Legation
at Athens

DOCUMENT FILE

NOTE

768.74/333

SEE 868.00/765 FOR Tel.6, 6 p.m.

FROM Bulgaria (Sterling) DATED Mar.5, 1935
TO NAME

1—1127

333

REGARDING: Revolt in Greece.

Foreign Minister has issued a communique stating that troops have been moved to the frontier as a precautionary measure.

W1

NE

KLP

GRAY

Sofia

Dated March 5, 1935.

Rec'd. 2:20 p.m.

Secretary of State,

Washington.

RUSH

6, March 5, 6 p.m.

Foreign Minister called together foreign press correspondents this afternoon and issued communique which in brief states that in view of spread of Greek insurgent movement in Thrace and Macedonia and points near Bulgarian frontier, Bulgariadn Government have ordered troops from interior to strengthen frontier posts. Bulgaria is resolutely attached to peace and measure is purely precautionary and preventive.

In reply to questions he further stated that he was informed that Turkish Government was likewise sending troops to their frontiers.

Chiefs of foreign missions being received individually for exposition of Bulgarian point of view.

STERLING

KLP

WSB

868.4016 Bulgarians
768.74

767.68

868.00/765

DOCUMENT FILE

NOTE

768.74/334

SEE 868.00/775 FOR Tel.105, 7 p.m.

FROM Italy (Long) DATED Mar.7, 1935

TO NAME 1—1127

REGARDING: Revolt in Greece.

Bulgaria is the only Government which might cause international complications .

Wi

FS
This telegram must be closely paraphrased before being communicated to anyone. (B)

Rome

Dated March 7, 1935

Rec'd 3:40 p.m.

Secretary of State,

Washington.

105, March 7, 7 p.m.

The consensus of opinion among my colleagues here, including the Ambassadors of Russia and Turkey, is that the trouble in Greece is well localized and they do not anticipate any international complications unless there should be unforeseen developments. Bulgaria is the only Government which seems to be considered the source of complications but it is doubted that anything will develop therefrom.

768.74

KLP:CSB

LONG

SLC/20.898

DOCUMENT FILE

NOTE

768.74/335

SEE 767.74/51 FOR Tel.69, 1 p.m.

FROM Geneva (Blake) DATED Mar.9, 1935

TO NAME

1—1127 ...

REGARDING: Concentration of Turkish troops in Eastern Thrace.

Substance of note from the Bulgarian Delegate to the League and of Turkish note replying thereto concerning -.Statement in Turkish note that Turkey could not view with indifference military precautions recently taken by Bulgaria on the Greek frontier.

Wi

DOCUMENT FILE

NOTE

SEE 868.00/776 FOR Tel.106, 6 p.m.

FROM Italy (Long) DATED Mar.8, 1935

TO NAME 1—1127

REGARDING:

Revolt in Greece.

Activities along the Bulgarian frontier would appear to be very important.

768.74 336

336

Wi

BC

Gray

Rome

Dated March 8,1935.

Received 1:10 PM

Secretary of State,

Washington.

106 March 8, 6 p.m.

My 105, March 7, 7 p.m.

This evening's newspapers publish a statement to the effect that as a result the situation in Greece the Italian cruiser TRENTO and explorers DAMOSTO and PIGAFETTA have been despatched to the Aegean with instructions to call first at the Dodecanese. Inspired comment on the above announcement states that this is a purely precautionary measure to ensure protection in case of need to Italian citizens and property in Greece, Italy's attitude towards the revolution being one of strict neutrality. It is also said that according to latest reports the revolution which has been very carefully organized be Venizelos has assumed the proportions of civil war and that activities along the Bulgarian frontier would appear to be very important.

LONG

WSB

LEGATION OF THE
UNITED STATES OF AMERICA

Sofia, February 18, 1935.

No. 122.

Subject: Fortification of Greek frontier.

768.74/337

FILED

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to report that the recent statement made in Athens by General Katheniotis, Chief of the General Staff of the Greek army, has caused considerable stir here. As he was reported in the press, the Greek Government had decided to complete immediately the fortifications of the northern frontiers, particularly those of Bulgaria, being forced to this decision because of the attitude of the latter...

latter, which "in spite of her obligations under the Treaty of Neuilly, has always maintained a military force superior to that laid down by the Treaty"; and by implication he accused Bulgaria of aggressive intentions.

The day following this accusation the Bulgarian Government officially issued a denial in the most categorical terms, stating that the assertions that Bulgaria was arming and constructing strategic roads and railways in the region bordering the Greek-Bulgarian frontier were absolutely false. The denial further declared that Bulgaria's attachment to the cause of peace and her wish to maintain good relations with her neighbors transcended all doubt. In these circumstances it was only possible to explain the Greek declarations by her desire to justify armaments already undertaken and to obtain the necessary credits for that purpose. A press despatch from Athens later announced that the statement of General Katheniotis had not been approved by the Greek Government and that the Minister of War had declared that the measures to be taken were not directed against Bulgaria; and now this morning it is reported from Athens that the statement of the Chief of Staff had been much exaggerated by the press.

The incident now appears to be closed. I learn confidentially from my Greek colleague in a conversation today that while General Katheniotis may have been tactless in his bald announcement, Greece considers it necessary to strengthen her frontiers for reasons of security and as a matter of precaution. He did not doubt that Bulgaria was keeping the roads in the frontier zone in good condition and he pointed out that, as well-known to everyone, Bulgaria was not, nor had been for several years, living up to the military restrictions

imposed...

imposed by the Treaty of Neuilly, especially in regard to recruiting.

In the view of the Legation the Greek Government is not at the present time fearful of any aggressive intentions on the part of her neighbor but, always suspicious of Bulgaria's territorial ambitions, is taking precautions against future eventualities. Possibly her decision to strengthen the frontier is influenced by the continuing rapprochement between Bulgaria and Yougoslavia. It may also be induced by the feeling that if Germany's claim to equality of armament is admitted Bulgaria may later put forward a similar claim and increase her military establishment.

I beg to enclose translations of leading articles commenting upon the affair which have appeared in several newspapers.

Respectfully yours,

F.A.Sterling.

File No.800.
FAS/CD

Copy to Legation, Athens.

Enclosure to Despatch No.122,
of February 18, 1935 from the
American Legation, Sofia, Bulgaria.

COMMENTS ON STATEMENTS OF GREEK CHIEF OF STAFF.

ZORA (February 16, 1935, No.4689).- The Chief of Staff in Greece has raised a great alarm: he accuses Bulgaria of having aggressive intentions because the "troudovaks" (compulsory labour workers) are building new roads in the Rhodopes. Bulgaria is building roads not only in the Rhodopes, but also in the Stara-Planina and other points of her territory in order to connect the mountain districts with the fertile plains and the cities. These roads which will serve for the transportation of food and the spreading of culture, have been built ever since the Treaty of Neuilly. The Greeks announce that they are going to fortify their frontier with Bulgaria. It is already fortified in all the important passages; moreover, in the most strategic points the frontier line has been drawn to the advantage of Greece. Is Bulgaria representing any danger, and what is the reason of the Greek alarm? The reason is that the Greek Staff needs two billion drachmas for war credits and the "Bulgarian danger" is the best justification for this expenditure for Greek public opinion.

SLOVO (February 16, 1935, No.3788).- At first sight the Greek alarm looks like a bluff. After the Balkan Pact and the Greco-Turkish convention for mutual guarantee of their frontiers in Thrace what can be the danger of Bulgarian "armaments" and "strategic roads"? The writings of the Greek papers about our supposed armaments are so groundless that they hardly deserve to be denied. As for the roads, these are necessary to improve the conditions of life in the mountain districts; moreover, we would like to see the Bulgaro-Greek frontier crossed from the north to the south by modern roads which would facilitate the connections between the two countries and increase their trade; instead of being afraid of it, we would gladly welcome any improvement in that respect which would intensify the traffic between the two states. Apparently the good wishes for understanding and cultural and economic cooperation are but words, since unfounded accusations of that kind are being spread from official places in Greece. But the accusations are not only unfounded and unjustified; they are also insincere. What is their real motive? It may be found in two different directions. Does not the Greek alarm represent an anti-Bulgarian campaign organized in connection with the recent London agreements about the suppression of the military clauses of the Treaty of Versailles? This supposition is more than likely if we consider that the statements of General Katheniotis were preceded by accusations on the part of the Greek press that Bulgaria had violated the military clauses of the Treaty of Neuilly. The desire to represent Bulgaria as the disturbing factor in the Balkans, however, does not explain everything. Recently the Greek military Council worked out an extensive plan of national defence which requires ten billion drachmas. Such an important expenditure cannot be explained by the imaginary Bulgarian danger only. Obviously

Greece...

Greece intends to fortify her other frontiers too; during the last months the sympathy and confidence of Greek opinion in her Turkish ally have been seriously undermined. Under the circumstances the excessive increase of national defence in Greece is an act of farsightedness. A pretext was, however, necessary and Bulgaria was the easiest one to find.

ZORA (February 17, 1935, No.4690).- Besides the budgetary question there may be another explanation: Greece had to face a definitive liquidation of the existing financial and economic differences with Bulgaria. In order to avert an agreement which they evidently want to connect with other agreements between Bulgaria and her neighbors, the Greeks are now poisoning the friendly atmosphere between their country and Bulgaria. The effect of such a maneuver will be prejudicial to Greece. This seems to have been understood by Mr. Tzaldaris who immediately denied the statements of the Chief of Staff.

DOCUMENT FILE

NOTE

767.74/3 38

3 38

SEE 767.74/54 FOR memorandum

FROM State Department (Murray) DATED Mar.8, 1935
TO NE NAME

1—1127 o r o

REGARDING: Concentration of Turkish troops along the Bulgarian frontier.

Comments on strengthening of Bulgarian frontier posts due to - and quotes from despatch from the Embassy in Turkey concerning importance of Thrace to,Turkey in connection with this matter.

Wi

LEGATION OF THE
UNITED STATES OF AMERICA

No. 556. Athens, Greece, February 27, 1935.

For the Attention of the Treaty Division.

Subject: Greco-Bulgarian Agreement in Execution of the Unden Award of 1933.

LEGAL ADVISER
APR 27 1935
DEPARTMENT OF STATE

DEPARTMENT OF STATE
APR 23 1935
DIVISION OF

DEPARTMENT OF STATE
APR 16 1935

TREATY DIVISION
APR 1 - 1935
DEPARTMENT OF STATE

Copy of accompanying documents stamped to be returned to DCR

FOR DISTRIBUTION
To
To read & file

DEPARTMENT OF STATE
APR 18 1935
DIVISION OF
NEAR EASTERN AFFAIRS

OFFICE OF ECONOMIC ADVISER
APR 26 1935
DEPARTMENT OF STATE

FILED
APR 26 1935

768.74/339

768.74/331

The Honorable

The Secretary of State,

Washington.

Sir:

With reference to my despatch No. 497 of December 27, 1934, entitled "Greco-Bulgarian Financial Negotiations", I have the honor to report that the agreement signed in Sofia on December 26, 1934, by representatives of Greece and Bulgaria in connection with the Unden award of 1933, was presented to the Greek Parliament for approval on January 10, 1935. Parliament adjourned without taking action and the Government assumed the responsibility of promulgating the agreement on January 30, 1935. The Government's action was made public in the OFFICIAL GAZETTE (Volume I, No. 39) of February

February 9, 1935, but without giving the text of the agreement.

A copy of the bill as introduced in Parliament has been procured and is transmitted herewith, giving the full text of the agreement in French. Payment of the 475,000 gold levas due to Greece, plus interest at 5 per cent annually since March 29, 1933, is to be made at the rate of one Swiss franc to each gold leva, equivalent amounts in paper levas converted at official buying rates to be used for the purchase of livestock, milk products, charcoal, cooperage staves and construction lumber for importation into Greece at minimum tariff rates. The Bank of Greece will retain 15 per cent of the amounts involved, ostensibly as an "export premium" but actually in connection with differences between commercial and official exchange rates for the leva.

Respectfully yours,

Lincoln MacVeagh

Lincoln MacVeagh.

List of enclosures:
Copy of bill dated
January 10, 1935 (in single copy).
Legation File No. 710.
Copy to Sofia.

KLR/Z/B

LEGATION OF THE
UNITED STATES OF AMERICA

No. 560 Athens, March 7, 1935.

Subject: The Bulgarian Threat and Greek Domestic Problems.

OFFICE OF ECO... ER
APR 16 1935
DEPARTMENT OF ...

RECEIVED
DEPARTMENT OF STATE
1935 MAR 29 PM 1 19
DIVISION OF
COMMUNICATIONS
AND RECORDS

DEPARTMENT OF STATE
APR 10 1935
ASSISTANT SECRETARY
OF STATE

FOR DISTRIBUTION - CHECK Yes No
To the ...
In U...
Copy to MID

768.74/340

APR 11 1935

768.74
note
868.00

FILED
APR 17 1935

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

768.74/337

I have the honor to refer to a despatch numbered 122 of February 18th, 1935, from the American Minister at Sofia, entitled "Fortification of the Greek Frontier," and to report on what now seems to have been the background of the incident therein discussed. Some of this background has already been sensed correctly by the Bulgarian papers from which the Minister encloses extracts.

As the Minister reports, General Katheniotis, Chief of the Greek General Staff, last month publicly attributed to

Bulgaria's

Bulgaria's actions the necessity of reinforcing the defenses of Greece's northern frontier. My Bulgarian colleague was much disturbed at the time and talked to me at length about the falsity of the accusation that Bulgaria had violated the Treaty of Neuilly in maintaining a military force superior to that allowed under its terms. He was very much grieved that Greece should suspect peaceful Bulgaria of any designs on Thrace, and declared that Greece should feel amply guaranteed by the Balkan Pact; - thus almost in one breath expressing two ways of looking at the matter which hardly agree. When I talked with him later in the day, after he had seen the Premier, he appeared somewhat mollified.

On the surface, this small incident, which was over almost as soon as begun, might well be taken as Greco-Bulgarian in its essence. It has all the characteristics of the sudden verbal flare-ups so dear to the excitable press in both countries. The question of Bulgaria's wishes in regard to an outlet to the Aegean is, as the Department knows, one of those things which, like the poor, we have always with us. The General only gave expression to opinions and fears on this subject which are already well known. But his high position added unusual significance to his remarks. This the prompt disavowal of the Government removed, and the Minister of War even explained that what the General meant was simply that the Military Establishment must at all times provide for the adequacy of the nation's defense, on the northern frontier as elsewhere. After this specious explanation there remained only the press, fishing, as usual here, in troubled waters.

Below the surface, however, the matter has appeared to have some importance, and this almost wholly of a local or domestic character. From this point of view, the involvment of Bulgaria, though intentional, was incidental. Not only was General Katheniotis not reprimanded, as would seem proper if he had apoken without authorization, but the Minister of War, General Kondylis, immediately made his statement a text for emphasizing the importance of the military in the life of the nation. At this time, the Minister of Finance was preparing to go to London to convince the Bondholders of Greece's inability to pay more than 35% of the interest on her national indebtedness, and the necessities of national defense were being worked up by a Council of all political parties into ammunition to support his claim. After the conclusion of the Balkan Pact it is obvious that the Bulgarian danger is the only one capable of being openly invoked in favor of Greek armament.

But there are still other reasons tending to vest the incident with a predominantly domestic character. If I may be permitted a seeming levity in the face of tragic conditions now existing here, "In the Spring an old Greek's fancy lightly turns to thoughts of revolution." General Kondylis has shown himself the most vigilant and realistic of all the Government's supporters, sizing up accurately the deadly temper of the Opposition as such moderates as Maximos and Tsaldaris benignly failed to do. Though the present revolt came as a complete surprise as to time and method, there is no doubt that the Minister of War has been taking every opportunity to keep the military on the alert, and to emphasize and magnify its

function in the State, especially since the Government took the decision to liquidate this Spring the affair of the assault on Mr. Veniselos. No particular activity in the way of fortifying the northern frontier appears to have followed the Katheniotis incident. But considerable military activity has been clearly observable round Athens for some time.

Incidentally, how Bulgaria continues to lend herself to the purposes of the Greek military (if indeed she does not intend war) may be seen from an article quoted today in the "MESSAGER d'ATHENES," the semi-official, foreign-language organ of the Hellenic Foreign Office. This article, which it is stated appeared in the "NATION ET POLITIQUE," which the "MESSAGER" states "began to appear after the inauguration of the new régime" in Bulgaria, reads as follows (I translate from the French):

> "Thrace is a province destined by Providence and Nature to belong to Bulgaria. The day the straits are closed, this region is absolutely necessary to us for the security of Bulgaria. Only a litoral on the Mediterranean (sic) can assure Bulgaria's communications with other countries.
>
> "The region along the sea, comprising 1685 square kilometers, is naturally tied in with the mountain system of Rhodope. If this bond is broken, economic ruin is certain. One should also note that while Bulgaria is cramped for room, Thrace, and particularly Eastern Thrace, is inhabited by Turks and actively colonized by Turkey."

That the Bulgarian press is at least as pugnacious toward Turkey as toward Greece, may qualify but does not allay Greek fears, especially after the recent manifestations of Turkish indifference toward Greece's national feelings.

Respectfully yours,

Lincoln MacVeagh

Lincoln MacVeagh.

Legation File 800
Copy to Sofia
LMacV/cwf

DOCUMENT FILE

NOTE

768.74/3411

SEE 868.00/817 FOR #127

FROM Bulgaria (Sterling) DATED Mar.12, 1935

TO NAME

1—1127 GPO

REGARDING: Reinforcement of Bulgarian forces on the Greek frontier due to the revolution in that country.

Press comment concerning -.

Wi

No. 127 Sofia, March 12, 1936

Subject: Bulgarian action in connection with the Greek insurrection.

768.74/817

768.74
767.74

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my telegrams Nos. 6 and 7, dated March 5, 6 p.m. and March 9, 11 a.m., respectively, concerning the action of the Bulgarian Government, arising out of the situation in Greece, in strengthening their military posts along the Greek frontiers; and, as well, in regard to the "demarche" of the Government to the League of Nations, through the Bulgarian delegate at Geneva, M. Antonoff, advising it of.....

of the action of Turkey in sending troops to the Bulgarian frontier and of other seemingly unfriendly acts.

There is but little comment to be made to supplement my telegrams. As regards Bulgaria's reinforcing her frontiers on the Greek boundary, public opinion and the local press have been unanimous in approval. The Greek Minister here, while naturally making enquiries in the matter of the Bulgarian Government, has not been disturbed. The Paris "Temps" has pointed out Bulgaria's friendly relations to Greece and stated that the latter had nothing to fear from her neighbor. On March 9th the London "Times" commented in a leading article: "The measures of precaution taken by Bulgaria at the Greek frontier seem to be fairly reasonable after the entry of Pangalos in the valley of the Strouma in 1925. The Greek Government would certainly be prompt in protesting if Bulgaria left its frontier open to the entry of the insurgents and if she failed to disarm the refugees." Regarding Turkey's concentration of troops in eastern Thrace, it continued: "The concentration of Turkish troops in eastern Thrace is more important. The Turkish explanation that it is a measure of protection is not entirely adequate. The great Turkish army, now encamped between Istanbul and the Maritza, could not have been assembled during the week following the hostilities. Taking into consideration the fact that Bulgaria is surrounded by four greater and better armed neighbors, the measures of the Turkish Government, which are explained by events in Greece, are so out of proportion to the requirements of the situation that one can believe that Turkey has other aims. The action of Turkey has increased for the moment the anxiety of the friends and neighbors of Greece."

The most.....

The most unfriendly press campaign which has been waged in Turkey against Bulgaria for the past year seems to this Government quite inexplicable. In my recent interview with M. Bateloff he stated, with obvious honesty, that he was at a loss to understand it, as he was unaware of any action by Bulgaria which could offend Turkish sensibilities. In this connection Mr. Skinner's despatch to the Department, No. 469, dated December 10, 1934, is of interest. He, also, was unable to fathom the cause underlying the bitter newspaper attacks. Possibly the Turkish Foreign Minister, the prime mover in effecting the Balkan Pact, is under the erroneous impression that he can thus force Bulgaria to join. Certainly, in the opinion of the Legation, Bulgarian treatment of minorities within her borders has been as lenient, if not more so, than in other Balkan countries.

Regarding the Bulgarian "demarche" at Geneva, there seems to have been a blunder made by M. Antonoff. M. Bateloff's instructions were simply to call the attention of the League, in not too formal a manner, to the unwarranted concentration of Turkish troops in eastern Thrace towards the Bulgarian frontier, to the Turkish press campaign, and her general unfriendly attitude towards Bulgaria, -- this, only in order that the League might be advised in advance of a situation which might later become serious. Instead, M. Antonoff apparently went much further, making "representations" and leaving with M. Avenol an "aide-memoire". It is now announced that M. Antonoff has addressed a letter to M. Avenol stating that his Government, having received required assurances, considers the communication of the "aide-memoire" to have been unnecessary. It will not be surprising if at some later date M. Antonoff were recalled from Geneva.

I beg to enclose translations of the communiqué issued by M. Batoloff to the foreign press correspondents on March 5, and of the declaration of General Atanasoff on March 6.

Respectfully yours,

F. A. Sterling

File 800
FAS/MH

Copies to Istanbul
and Athens.

STATEMENTS MADE BY THE MINISTER OF FOREIGN AFFAIRS TO THE FOREIGN CORRESPONDENTS, MARCH 5, 1935.

The events in Greece.

The events which are taking place in Greece in the last few days and the centre of which is moving, as it seems, toward Eastern Macedonia and Greek Thrace, an area close to the Bulgarian frontier, represent an interest for the Bulgarian Government inasmuch as they endanger peace in the Balkans. Bulgaria is resolutely attached to peace and good relations with her neighbors and has no desire of utilizing or increasing their difficulties. This, however, does not relieve her from the obligation to increase her watchfulness on the frontier and to strengthen its protection by sending troups from the interior. These measures are of a purely defensive and preventive character and are in keeping with international law.

I have charged our Minister to Athens, Mr. Neykoff, to make a declaration in that sense to the Greek Government and I have given personally the same assurances to the Greek representative in Sofia, Mr. Kolas.

Relations with Turkey.

Between Bulgaria and Turkey there is a treaty of friendship. As the Prime Minister stated in his public speech this treaty is not an empty form for us. It is being executed by us with the greatest care and loyalty. There is no reason why we should modify our attitude toward Turkey. I have declared it many times and I am going to repeat it now: Bulgaria desires to live on terms of peace and friendship with all her neighbors and has no reason to provoke anybody. I cannot understand, therefore, the reason of the recent measures taken by the Turkish Government. I hope that these measures, if they have actually been taken, are not directed against us, because, I repeat it, we have not given any cause for them.

You follow the Bulgarian and the foreign press and you have noticed that a part of the Turkish press is taking an unfriendly attitude toward us, whereas the Bulgarian papers do not reciprocate and abstain from any argument which might create an unfriendly atmosphere between the two countries. The only Bulgarian publication to which the Turcs refer in order to justify their unfriendly tone toward Bulgaria, is the paper TRAKIA. This paper, which is far from having here the significance which is being attributed to it in Turkey, has been suspended.

I hope that the Turkish Government whose wisdom and political experience I deeply appreciate will understand the good will of the Bulgarian Government and will do their best to stop the campaign of the Turkish press against us.

PRIME MINISTER'S STATEMENTS, MARCH 6, 1936.

MORA.- "In connection with the rumours spread abroad concerning the mobilisation of two military classes in Bulgaria, I wish to declare as Minister of War and as Prime Minister that these rumours are absolutely unfounded. Not only have we not mobilised and have no intention of doing so, but we cannot mobilize because we have no classes and because the limited armaments which the treaties have imposed and with which we strictly comply do not allow us even to think of not living up to our solemn declaration that 'we stand for peace and sincere understanding and friendship with all our neighbors and that we will not break peace, no matter what happens in the territory of any state." We have made this declaration on many occasions and we wish to repeat and emphasize it once more. This is the standpoint and the firm determination not only of the Government but of the entire Bulgarian nation without exception. We are a member of the League of Nations, we believe in it, we never will disregard its statutes, and we rely upon it. Every year in fall and winter we send back periodically to their homes a large part of such troops as we are allowed under the treaties. Beginning March 10th the leave of a number of these soldiers was cancelled and they will take the place of those sent to the Greek frontier for its protection and to strengthen the small posts of 4-5 which scattered along the frontier at a distance of 4, 5, 8 and 10 klm. apart and which cannot insure a proper protection of the frontier now that the snow is melting."

DOCUMENT FILE

NOTE

SEE 868.00/810 FOR #1002

FROM Italy (Long) DATED March 14,1935

TO NAME 1—1127 GPO

REGARDING: Greek-Bulgarian relations.
Statement by Admiral Ioannides that Bulgaria is in an embarrassing situation - High rebel army officers of Greece, who had stolen money from Greek National Bank, are now in Bulgaria.

768.74/342

1e c

LEGATION OF THE
UNITED STATES OF AMERICA

No. 597. Athens, Greece, April 8, 1935.

For the Attention of the Treaty Division.

Subject: Bulgarian Deliveries to Greece in Execution of the Unden Award of 1933.

FILE
DEPARTMENT OF STATE
MAY 2 - 1935
ASSISTANT SECRETARY OF STATE

DEPARTMENT OF STATE
APR 30 1935
DIVISION OF NEAR EASTERN AFFAIRS

TREATY DIVISION
APR 26 1935
DEPARTMENT OF STATE

The Honorable
The Secretary of State,
Washington.

1-
Copy to Commerce (duplicate)
" " Tariff Com'n " "
Encl. in file.
MAY 3 - 1935

FILED
MAY 8 1935

Sir:

With reference to my despatch No. 329 of February 27, 1935, entitled "Greco-Bulgarian Agreement in Execution of Unden Award of 1933", I have the honor to report that in execution of this agreement a decision has been issued by the Ministers of Finance and National Economy, authorizing the importation from Bulgaria of live animals, milk products, charcoal, cooperage and construction lumber up to a total value of 518,750 Swiss francs. The decision was published in the OFFICIAL GAZETTE (Volume II, No. 9) of January 28, 1935, copy of which is transmitted herewith, and reads in translation

translation as follows:

"In consideration of article 1, law 5426, and of the obligation of the Bulgarian Government, under the Unden Award, to pay to Greek beneficiaries in the question of the Rhodope forests an indemnity of 518,750 Swiss francs in Bulgarian products, we hereby rule:

"We authorize extra-quota imports from Bulgaria of (a) large and small animals, (b) milk products, (c) charcoal, (d) cooperage lumber other than beech and (e) construction lumber, up to a total of 518,750 Swiss francs. The value of charcoal to be imported may in no case exceed five million drachmas.

"Permits in behalf of the beneficiaries will be issued by the Salonika branch of the Bank of Greece, which is authorized to conduct and enforce the execution of the present decision."

168.6171
874.6171

Respectfully yours,

Lincoln MacVeagh

Lincoln MacVeagh.

List of enclosures:
OFFICIAL GAZETTE (Volume II, No. 9)
of January 28, 1935 (in single copy).
Legation File No. 710.
Copy to Sofia.

KLR/Z/B

DOCUMENT FILE

NOTE

SEE 768.00/25 FOR #784

FROM Greece (Aldridge) DATED Aug.15, 1935

TO NAME

1—1127 ...

REGARDING: Several incidents on the Greco-Bulgarian frontier involving incursions into Greek territory on the part of Bulgarian comitadjis.

Wi

768.74/344

6-3 2657-V 592
36
AUG 27
3850

G-2 Report

BULGARIA (Political)

Subject: Foreign Relations.
Graeco-Bulgarian Relations.

768.74/345

According to an Athens despatch published in "Le Journal d'Orient" of August 6, 1936, the Bulgarian Press has reopened a campaign for the cession to Bulgaria by Greece of an outlet on the Aegean Sea. The Bulgarian papers are unanimous in demanding that Greece accord Bulgaria a territorial zone with a port, at the same time contending that the Treaty of Neuilly has outlived its usefulness and does not respond to the present situation.

A former Bulgarian Minister, however, is contending in one paper that the true interest of Bulgaria consists in a rapprochement with Greece and that demands for territorial grants can serve only to strain Graeco-Bulgarian relations. He contends that a purely economic outlet is quite sufficient for Bulgaria.

Along with this information emanating from Sofia one publication announces that a band of Bulgarian comitajis has made its appearance ready to go into action on the Graeco-Bulgarian frontier but detachments of troops sent to meet this group have obliged it to withdraw inside Bulgarian territory.

ROYDEN WILLIAMSON,
Major, (Cav.), Acting G.S.,
Military Attache.

768.74

DOCUMENT FILE

NOTE

SEE 740.0011 Mutual Guarantee (Balkan)/171 FOR #1578

FROM Greece ((MacVeagh)) DATED March 17, 1937

TO

NAME

1—1157 GPO

REGARDING: Meeting of Permanent Council of the Balkan Entente held in Athens from 15th to 18th of February.

Comment of Bulgarian Minister in Athens concerning the recently concluded Bulgar-Yugoslav pact and its effect in Greece.

kfc

760.74/346

Athens, March 17, 1937.

No. 1578.

Subject: Meeting of the Balkan Entente.

The Honorable

The Secretary of State,

Washington.

Sir:

Following my despatch No. 1544 of February 19, 1937, and with special reference to Diplomatic Serial No. 2755 of February 11, 1937, I have the honor to enclose for the Department's files translations of the following in connection with the meeting of the Permanent Council of the Balkan Entente held in Athens from the 15th to the 18th of February, 1937:

1) The official communiqué issued to the press by the Greek Government at the conclusion of the session;

2) A statement to the press issued by Premier Metaxas at the same time;

3) The toast of Premier Metaxas at the dinner offered by him in welcome to the visiting delegates;

4) The toast of Mr. Stoyadinovitch, Premier of Yugoslavia, in reply to that of Premier Metaxas.

In this connection I also have the honor to report that I have had long conversations with my Bulgarian, British, Turkish and Yugoslav colleagues on the subject of the meeting in question, and particularly regarding the effect of the new Bulgar-Yugoslav treaty on the Balkan Entente.

My Bulgarian colleague needed only to be asked his opinion to speak eagerly and at length. He said the Greeks complain of his country's unfriendliness. The Bulgars, however, are not unfriendly, but "if one woos a woman, one does not expect to enjoy her favors immediately and talk about gifts afterwards, but one offers first some flowers, then other things, and finally a bracelet or a ring, and only then does one say, 'Come to my garçonnière.'" The Bulgar-Yugoslav pact, he said, does not mean that Yugoslavia and Bulgaria are planning to attack Greece, but it does mean that Greece, and the rest of the Balkan world, will have to treat Bulgaria differently from now on. She has, in fact, found a friend, and a friend who is also a near relation, so that the pact between Bulgaria and Yugoslavia means more than the usual peace agreement. Just as squabbles between brothers are apt to be more bitter than between individuals who are not related, so their friendship is likely to be stronger, and the old hatchet being buried between Yugoslavia and Bulgaria, there springs into existence a unity, founded on blood-relationship as well

as

as an interest, which is fitted by numbers and character to wield great influence in the Near East. He said the meeting of the Entente statesmen had had to accept the Yugoslav-Bulgar pact as a move in the cause of peace, but it is more than this, it marks the re-emergence of Bulgaria as a country to be reckoned with. He seemed in jubilant mood.

The British Minister, on the other hand, spoke of the meeting in a fatherly fashion. He said that it was really a great success, emphasizing the adverb. He said the Turks were at first inclined to be suspicious of the Bulgar-Yugoslav agreement, but that after he (sic) had had a talk with Dr. Aras they became enthusiastic. The only dissatisfied critics now left, he said, are the Greeks, and only the anti-Metaxas Greeks at that, who have a local political axe to grind. He praised Mr. Metaxas for his conduct of foreign affairs and seemed greatly impressed by Mr. Stoyadinovitch. He said the Bulgars are "very foolish" to think of their pact with Yugoslavia as strengthening them vis-à-vis the Greeks and Rumanians; that the "Jugs", as he calls them, are the most honest people in the Balkans and will play the game fairly all around, and that the Greeks will do well to make the closest friends possible of them. He thinks the Greeks will not make as much of their opportunities in this direction as they should, but it will not be for lack of his counsel. Furthermore, he stated it as his opinion that England's rearmament program was largely responsible for what he calls the success of the meeting. Incidentally, in discussing our new French colleague, M. Bruère, he referred to the previous French Minister here

here, M. Thierry, as a "stupid man" and to M. Bruère himself as one of whom he can make nothing, adding that French influence here, diplomatically speaking, is now practically nil. As the Department will note, he agrees in this with my Italian colleague, whose views I reported in my despatch under reference. Otherwise, the ideas of the two men on the Balkan situation differ widely. Sir Sydney referred to Mr. Bosgarelli as a "loathesome little worm", and while the latter told me that Greece is isolated by the breakdown of the Balkan Pact over the Bulgar-Yugoslav treaty, Sir Sydney seems to regard her as amply taken care of in the bosom of an Entente of which England approves.

My Turkish colleague expressed himself as sure that the Bulgar-Yugoslav pact reenforces rather than weakens the larger Balkan groupment. He said that the "gentlemen's agreement" between England and Italy providing for the maintenance of the status quo in the Mediterranean must effectively bar any territorial encroachments by the Slavs at the expense of Greece, and that he believes Bulgaria will soon be making bilateral pacts with her other neighbors on the model of her pact with Yugoslavia "on account of the necessities of her position".

The Yugoslav Minister, Mr. Christitch, whom the British Minister described as "a good colleague, very useful to me", expressed himself as feeling that both his country's new pact with Bulgaria and the Balkan Pact itself are strong guarantees of peace. He was more reserved than the others and refrained from qualifying in any way the published official statements, but his belief that "war in Europe is further off today than

it

it was six months ago" may reflect a new feeling of security as to his own country's position.

Out of this welter of opinion, one thing would specially seem to invite comment. It would appear that the idea of Balkan unity, once capitalized by France in her abortive attempt to encircle Germany, has now been taken up by England as possibly useful in her efforts to circumscribe the Italian menace. But for Greece, acutely aware of the conflict which continues to exist under cover of the "gentlemen's agreement", and occupying a hopelessly exposed position in the Mediterranean, neutrality remains as vital as ever, at least until the issue becomes clarified. Consequently it may not be without her connivance that we find her appearing, for the time being, as an asset (with a question-mark) on the books of both.

Respectfully yours,

Lincoln MacVeagh.

Enclosures:

1. Official Communiqué.
2. Statement by Premier Metaxas.
3. Toast of Premier Metaxas.
4. Toast of Premier Stoyadinovitch.

File No. 710.

LMacV/pe

Enclosure No. 1 to Despatch No. 1578 of March 17, 1937, from the American Legation, Athens, Greece, on the subject of the Balkan Entente.

TRANSLATION

SOURCE: Messager d'Athènes, February 19, 1937.

COMMUNIQUÉ.

The Permanent Council of the Balkan Entente held its fifth ordinary session at Athens from the 15th to the 18th of February, 1937, under the presidency of His Excellency Mr. Stoyadinovitch, President of the Council and Minister for Foreign Affairs of Yugoslavia, President in function, of the Permanent Council of the Balkan Entente.

The deliberations of the Permanent Council, which proceeded in an atmosphere impregnated with the most cordial friendship, permit the declaration still another time of the perfect unity of views of the directors of the foreign policy of the four countries and the solidarity uniting the Balkan allies.

The Council having proceeded to a profound examination of the general European situation and of the questions particularly interesting the states of the Balkan Entente found itself in agreement to reaffirm its will to develop all the activity of the Balkan Entente with the view of contributing to the maintenance of peace. Every effort in this sense will have the full support of the Balkan Entente.

Faithfully attached to the League of Nations, the Balkan Entente is resolved to continue its active collaboration in the work at Geneva, to the end that despite the present difficult circumstances, the League of Nations may fulfill its high mission.

In the framework of international action in favor of peace, the Council of the Balkan Entente particularly appreciates the recent agreement between Great Britain and Italy which constitutes an important factor for the maintenance of peace and the stability in the Mediterranean.

The Permanent Council has taken note with satisfaction of the conclusion of the pact of friendship between Bulgaria and Yugoslavia, signed at Belgrade on January 24, 1937. It has noted that this pact is in keeping with the purpose of the Balkan Entente: to maintain and consolidate the peace in the Balkans. Consequently it considers that the pact signed between Bulgaria and Yugoslavia is a precious contribution to the establishment of a friendly collaboration between all the Balkan peoples.

The Permanent Council has taken note of the decisions of the Economic Council decided upon at Bled, July 15, 1936, and has adopted appropriate measures to put them into effect.

Appreciating

Appreciating at its true value the contribution that the press is called upon to bring to the work of the Balkan Entente, the Permanent Council has noted with pleasure the cordiality which has marked the meetings of the Conference of the press of the countries of the Balkan Entente.

The next meeting of the Permanent Council of the Balkan Entente will take place in September at Geneva at the time of the ordinary assembly of the League of Nations.

FDK/pe

Enclosure No. 2 to Despatch No. 1578 of March 17, 1937, from the American Legation, Athens, Greece, on the subject of the Balkan Entente.

TRANSLATION.

SOURCE: Messager d'Athènes, February 19, 1937.

STATEMENT OF METAXAS.

After the departure of the allied ministers, Mr. Metaxas received the representatives of the press and made to them the following declaration:

Like our three allies, Greece can be fully satisfied with the Balkan Conference which has just ended. Our Balkan unity emerges from this conference stronger than ever. I am happy to be able to give this assurance to the Greek people and to express my conviction that the Balkan Entente, instrument of peace and order, will forever remain unshakeable.

FDK/pe

Enclosure No.3 to Despatch No.1578 of March 17, 1937, from the American Legation, Athens, Greece, on the subject of the Balkan Entente.

TRANSLATION. SOURCE: Messager d' Athènes, February 19, 1937.

TOAST OF PREMIER METAXAS

Mr. President and dear friend, Excellencies, Ladies and Gentlemen: It is for me a very special honor and pleasure to salute the eminent representatives of these three friendly and allied countries and to wish them in the name of the Royal Government and the Greek people the most cordial welcome.

It is the second time that this city, the guardian of which is the Goddess of pure reason, has had the privilege of seeing a meeting of the members of the Balkan Entente.

Your presence here emphasizes all the political significance of this instrument of peace. It is to the best definition of the pact that we signed here February 9, 1934. Our four States have freely joined their efforts not only to guarantee our Balkan frontiers but also to serve the general cause of peace. Aside from the sincere friendship which exists between them, a powerful tie unites them which justifies the pact that they have signed: their profound attachment to the peace.

It is in equality that we negotiated and concluded. Our responsibilities and our advantages are common. I am firmly convinced that we will never find ourselves under the necessity of our putting our agreement into action. I know that I express our common desire to see other countries bring their assistance to the pacific construction which remains for us to complete, but the road that we have traveled is already long and we may be proud in the thought that the work already accomplished is rich in happy results. In addition we note with the greatest satisfaction that in spite of certain reservations formulated at the start, the precious contribution to the organization of security made by the Balkan Entente is no longer questioned today.

An event of political significance, the importance of which I do not need to accentuate, has just marked a step in the pacific effort followed in the Balkans, formerly considered as the most unsettled region of Europe, but which is developing today, thanks to the political maturity and the realistic spirit of their peoples, in an atmosphere of harmony and stability.

I particularly desire to emphasize that we have considered the pact of friendship, signed the 24th of January, last, at Belgrade, between Bulgaria and Yugoslavia, as the herald of a better future not only for these two countries,

but

but for all the Balkan countries. We have considered that it marked the beginning of the complete and definitive understanding so ardently desired by all the Balkan countries. It is therefore in all confidence that Greece gave her consent to the conclusion of this pact, which, being in harmony with the Balkan Pact, could in no way weaken it.

We sincerely desire understanding between all the Balkan countries and will neglect no effort toward its realization for we consider it indispensible to the happiness of our peoples, so hardly tried by the struggles of the past. Moreover, we believe such understanding possible, on the condition that all are animated by good will. We like to hope that all of us are. Finally, we desire it because our greatest ambition is to contribute with all our strength to lead to a trusting collaboration between all the Balkan countries in order to assure, consolidate and to maintain a peace founded upon the equality of all and mutual respect. This alone can guarantee the true prosperity of our peoples. Those of us who have lived through the dark hours of the war want to save our children from the calamities of a new war, the horror of which would be without precedent. We want to assure them a future which will spare them our suffering and our sorrow. But we are equally as conscious of the grandeur of the sacrifice of our dead as of the duty which falls to our four countries. It is precisely the consciousness of this duty which has led us to proclaim our firm decision to assure the respect of treaties in force and the maintenance of the established territorial order in the Balkans. In the vast Balkan Peninsula there is room enough that all our people may live, may develop, and may prosper in the serenity of a constructive peace. May they always have present in their souls the words of the illustrious French statesman "the greatness of a state is not measured by the extent of its territory but by the soul of its people".

I raise my glass to the health of His Majesty King Carol of Rumania, to the health of His Excellency Kemal Ataturk, President of the Turkish Republic, to the health of His Majesty the King of Yugoslavia, Peter II, to the health of His Royal Highness Prince Regent Paul and of the members of the Royal Regency, to the prosperity of the noble nations of Rumania, Turkey and Yugoslavia, friends and allies, to your personal happiness, Excellencies and dear friends, and to that of your charming wives.

Enclosure No. 4 to Despatch No. 1578 of March 17, 1937, from the American Legation, Athens, Greece, on the subject of the Meeting of the Balkan Entente.

TRANSLATION. SOURCE: Messager d'Athènes, February 16, 1937.

TOAST OF PREMIER STOYADINOVITCH.

Mr. President and dear friend:

It is a great honor which falls to me in my capacity as President of the Council of the Balkan Entente to thank Your Excellency for the cordial words addressed to the representatives of our four friendly and allied countries.

When nearly a year ago I had the pleasure of greeting Your Excellency and the other eminent representatives of our Entente at Belgrade, I expressed the conviction fully shared by you all that our Entente is the best guarantee of peace, of order and of definite stability in the Balkans, and that it will continue to be so also in the future.

Today in the atmosphere of your very cordial hospitality I can state with satisfaction that our hopes are not in vain and that our faith remains unshakeable also for the future.

The work of the Balkan Entente continues on its way, the way of development and progress; the pledged word will retain all its value and implicit faith remains as the solid base of our work. The Balkan Entente knows neither interruption nor hesitations. Each step is a step ahead.

The efforts that we are making in seeking the realization of the work of peace are being repaid, and are already producing happy results. It matters little how one names them or in what category of political acts one arranges each of the phases of our activities. We are conscious of working in a spirit of the most noble traditions of our common past, as well as for the happiness of our generation and those which will follow us.

Today when we, the Balkans, make a new pact, or if we are in the act of perfecting or of consolidating those already existing, all the world must have the definite feeling and the profound realization that it is a work of peace useful for all the Balkans as well as for all this part of Europe.

The epoch of errors is past for the Balkans. This does not appear solely from our words but from our acts as well. The forces which in other times conflicted and clashed and were exhausted in the sterile struggles of senseless rivalries we see now, thanks to our efforts and to the sincere desire of our peoples, coordinated and united in order to be directed toward new ends infinitely more noble--toward peace and the well-being of the Balkan peoples.

I am

I am happy, Mr. President, to have the opportunity to express this profound conviction in the capital of Greece, at Athens, mother of wisdom and of eternal beauty.

I raise my glass in honor of His Majesty King George of Greece, of His Majesty King Carol of Rumania, and of His Excellency Kemal Ataturk, President of the Turkish Republic, to the prosperity of the noble Hellenic nation, friend and ally, to the health and to the personal happiness of Your Excellency, as well as to that of the gracious Madam Metaxas.

FDK/pe

DOCUMENT FILE

NOTE

768.74 /347

SEE 767.71/16 FOR #357

FROM Rumania (Harrison) DATED June 2, 1937

TO

NAME

1—1127 GPO

REGARDING:

Recent incident at Philippopolis, Bulgaria, where the local Bulgarian military commander had seen fit to give Greek place names such as Kavala, etc., to certain regiments under his command.

Conversation with the Turkish Minister who stated that matter had been discussed by Turkish Foreign Minister during his recent visit to Rumania.

Wi

LEGATION OF THE
UNITED STATES OF AMERICA

No. 99 Sofia, June 17, 1938.

Subject: Bulgarian-Greek Frontier Incident.

RECEIVED
DEPARTMENT OF STATE
1938 JUL 12 PM 3 29

ADVISER ON POLITICAL RELATIONS
MR. DUNN
JUL 15 1938
DEPARTMENT OF STATE

DEPARTMENT OF STATE
JUL 1 1938
DIVISION OF
NEAR EASTERN AFFAIRS

768.74/348

768.74

FOR DISTRIBUTION - CHECK
To the Field
In U. S. A.

The Honorable

The Secretary of State,

Washington.

DIVISION OF
EUROPEAN AFFAIRS
JUL 19 1938
DEPARTMENT OF STATE

ASSISTANT SECRETARY
OF STATE
DEPARTMENT OF STATE

Sir:

I have the honor to report that on June 7, 1938, an incident occurred on the Bulgarian-Greek frontier, just north of Dedagatch, Greek Macedonia, which resulted in the killing of two Greek soldiers by Bulgarian frontier guards. As in the case of the incident in 1925, which resulted in the invasion of Bulgarian territory by Greece, as reported in the Legation's despatch no. 722 of October 26, 1925, the whole incident had its origin in the personal differences

768.74/232

FILED
JUL 20 1938

of

of the frontier guards. It appears that the incident of June 7th was caused by the killing of a dog belonging to the Bulgarians by two Greeks soldiers, and later during the day the Greeks responsible for the killing were murdered by the Bulgarians. According to the Bulgarian version, the killing took place during a general fight. The Greek version, however, claims the killing took place several hours after the first dispute and that the two soldiers were ambushed and afterwards buried by the Bulgarians in Greek territory.

While the incident occurred on June 7th, both the Bulgarian and Greek Governments withheld all information from the press, and so far no news of the incident has been published in the Bulgarian and Greek newspapers and, it is understood, not even in the foreign press. This action on the part of the two Governments is a clear indication of the desire for improvement in the relations between the two countries, especially considering the drastic actiom taken by the Greek Government over a similar incident im 1925.

It is understood that news of the incident was immediately conveyed to the King, who personally ordered an investigation, and also ordered that the troops forming the frontier guard be immediately replaced, similar action being taken by the Greek Government. The prompt actiom in changing the frontier guards probably prevented further trouble.

The

The Bulgarian Government has formally extended its regrets to the Greek Government, and, I have been informed, that the King has personally expressed his sorrow over the incident to the Greek Minister at Sofia. The Greek Legation at Sofia has been instructed to demand an indemnity for the families of the soldiers killed.

Respectfully yours,

Ray Atherton

File 710
KGM/RWH

Copies to Legations at
Athens and Belgrade.

DOCUMENT FILE

NOTE

768.74/349

SEE 770.74/18 FOR Tel#49 9 a.m.

FROM Greece (MacVeagh) DATED Aug. 1, 1938

~~##~~

NAME

1—1127 o.r.o.

REGARDING:

Agreement signed between Bulgaria and members of the Balkan Entente pledging abstinence from the use of force in the mutual relations of the 5 states in conformity with non-aggression pacts.

ML

NE
EU

JR
A portion of this telegram must be closely paraphrased before being communicated to anyone.
(A)

Athens

Dated August 1, 1938

Rec'd 10:30 a.m.

Secretary of State,

Washington.

770.74/18

49, August 1, 9 a.m. (GRAY)

The last paragraph of my telegram No. 47, July 29, 2 p.m. At a carefully staged meeting at Saloniki yesterday between Prime Minister Metaxas in his capacity as President of Balkan Entente and the Bulgarian Prime Minister an agreement was signed between Bulgaria and the members of the Bulkan Entente. The text published in this morning's (*) pledges abstinence from the use of force in the mutual relations of the five states in conformity with non-aggression pacts to which each is party, and renounces, so far as concerns the contracting parties the application of part 4 (military, naval and air clauses) of the Treaty of Neuilly as well as of the provisions concerning the Thracian border contained in the convention signed at Lausanne July 24, 1923. (END GRAY)

note
168.74

CONFIDENTIAL. The controlled press is praising Bulgaria to the skies. Informed liberal opinion sees a triumph for Anglo-French diplomacy through its influence

in

in Turkey. Recent background so far as Greece is concerned is given in my despatch 2376, July 21 on Greco-Bulgarian rapprochement.

MACVEAGH

WWC:KLP

(*) Apparent omission.

DOCUMENT FILE

NOTE

768.74/350

SEE 770.00/576 FOR #2438

FROM Greece (MacVeagh) DATED Aug. 20, 1938

NAME

TO

1—1127 OFO

REGARDING: Official notification from the Greek Prime Minister concerning the signature at Salonika on July 31, 1938 of an agreement between the Balkan Entente and Bulgaria. Transmits copy and translation of -. Greek reaction toward the agreement.

ge

DIVISION OF EUROPEAN AFFAIRS
NOV 4 1938
DEPARTMENT OF STATE

TELEGRAM RECEIVED

JR
This telegram must be closely paraphrased before being communicated to anyone. (A)

FROM Athens

Dated November 2, 1938

Rec'd 6 p.m.

DEPARTMENT OF STATE
NOV 3 1938
DIVISION OF NEAR EASTERN AFFAIRS

Secretary of State,

Washington.

60, November 2, 6 p.m.

My despatch No. 2069 of January 24th, 1938.

In regard to current reports that at his recent meeting with the Yugoslav Premier at Nish the Bulgarian Premier advanced his country's minority claims, the Greek press has been exceptionally reticent in reporting this meeting and has noticeably failed to make the usual comments regarding Balkan unity and peace.

The chief of the political division of the Foreign Office said to me today that any agreement on the part of Yugoslavia to support these claims would be "incredible" and "criminal" at the same time he admitted that the Greek Government has recently sent instructions to its legations defining again its attitude toward revision of boundaries and even quoting authentic reports on the completeness of the exchange of populations in Macedonia. He said that so far as Greece is concerned Bulgarian minority claims can only

be

768.74/351

be a mask for territorial ambitions and that before ceding a shred of territory to Bulgaria, Greece would fight. He seemed worried by the possibility of an attempt being made to extend the recently successful revisionist procedure in Central Europe to the Balkan region.

MACVEAGH

RR

TELEGRAM RECEIVED

REB

This telegram must be closely paraphrased before being communicated to anyone. (B)

FROM BELGRADE

Dated November 18, 1938

Rec'd 2:55 p. m.

DIVISION OF EUROPEAN AFFAIRS
NOV 22 1938
DEPARTMENT OF STATE

Secretary of State,

Washington.

167, November 18, 3 p. m.

CONFIDENTIAL.

DEPARTMENT OF STATE
NOV 19 1938
DIVISION OF NEAR EASTERN AFFAIRS

768.74
note
868.4016 - Bulgarians
868.014

Am informed that Kiosswanov promised Stojadinovic at Nis not to press Bulgarian territorial claims with respect to Macedonia until after Yugoslav elections on December 11. Copies to Sofia and Bucharest.

LANE

EMB

768.74/352

FILED
NOV 22 1938

N/C

LEGATION OF THE
UNITED STATES OF AMERICA

Athens, November 3, 1938.

No. 2564.

Subject: Greece and the Nish Conference.

DIVISION OF EUROPEAN AFFAIRS
DEC 19 1938
DEPARTMENT OF STATE

DEPARTMENT OF STATE
DEC 3 -
DIVISION OF NEAR EASTERN AFFAIRS

DEPARTMENT OF STATE
A-M/C
DEC 10 1938
ASSISTANT SECRETARY OF STATE

768.74/353

Copy Transmitted by Tlc
Commercial Office (A-M/C)
To Belgrade

The Honorable
The Secretary of State,
Washington.

768.74/35 12/10/38

Sir:

In reference to my telegram No. 60 of November 2, 6 p.m., I have the honor to report that the impression seems to be widespread among observers in Greece that Germany's success in Czechoslovakia, following the Austrian Anschluss, may be expected to have the effect of turning the clock back in the Balkans also before long, and that we are due very soon to hear much more than we have recently of Bulgaria's revisionist claims.

In this connection I have already mentioned in my telegram under reference the extreme reticence of the controlled

controlled Greek press regarding the recent conference of the Premiers of Yugoslavia and Bulgaria at Nish. Only the ELEFTHERON VIMA, a newspaper of historic Venizelist leanings, made any report whatever of the proceedings, and what it permitted itself, or was permitted, to say was limited to a reprint of the official communiqué issued in Belgrade. Other papers mentioned only the fact that the meeting was held, and reported that the conversations took place "amid an atmosphere of cordiality".

On the other hand the newspapers of this morning, which have abandoned even passing reference to the Nish Conference, contain pages of enthusiastic comment on Atatürk's recent message to the Turkish National Assembly, quoting with a special fervor the Turkish President's reference to the Pact of Salonika: "This accord is a happy example of the continual efforts which we are making for peace, as well as of the healthy policy pursued by the Balkan Powers". (Translated from the French of the Messager d'Athènes, semi-official organ of the Foreign Office, of November 2, 1938.)

In emphasizing Salonika and ignoring Nish, the Greek Government is not, of course, fooling itself, or anyone else who is at all cognizant of this country's position. But it does seem to be trying to keep the general public's attention directed away from uncomfortable possibilities, which the apparently approaching demise of Attatürk, with its attendant uncertainties, can only render more acute. Indeed, with the improvement of Bulgarian-Yugoslav relations and the recent successes of revisionism under the German aegis, any slackening of Greece's ties with Turkey which may take place under Atatürk's successor, be he Ismet or another,

another, would leave Greece's position unenviably solitary and exposed. This is a time for the Greek Government to be worried, and its policy would not seem unreasonable, of hiding the public's eyes as far as possible, while proceeding without pause with the fortification of the northern frontier.

Respectfully yours,

Lincoln MacVeagh.

File No. 710.

LMacV/jr

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

CHA Athens No. 2564 Nov. 3

WSM Subj: Greece and the Nish Conference.

Following Germany's recent successes in revising the map of Central Europe and the raprochement between Yugoslavia and Bulgaria, Greece has become considerably disturbed regarding its northern frontier. Revision is in the air, and if Bulgaria [redacted] is aided by Yugoslavia and Germany to expand, the expansion will be in Greek Macedonia.

The controlled press of Greece has printed very little about the Nish Conference (which must have taken place about November 1), at which conference the premiers of Yugoslavia and Bulgaria met, presumably to discuss Bulgaria's revisionist aims. During the days following the conference, the Greek press made only passing reference to it, but played up strongly the recent Salonika Accord, (when the military clauses of the Treaty of Neuilly were abrogated by agreement between the Balkan Entente and Bulgaria.)

In other words, the Greek Government does not desire that the Greek people become aware that Yugoslavia may be supporting Bulgaria in the latter's designs on Greek Macedonia. Instead, the Greek Government is emphasizing its peaceful relations with Bulgaria and its solidarity with Turkey. Meanwhile, the Greek Government is proceeding without pause with the fortifications on the northern frontier.

COMMENT: Copies of this [redacted] despatch are being sent to the [redacted] American Ministers at Sofia and Belgrade, who will be interested in receiving any further information you may receive regarding the important subject of Greek-Bulgar-Yugoslav relations.

GVA

LEGATION OF THE
UNITED STATES OF AMERICA

Athens, December 9, 1938.

No. 2600.

Subject: Greece Fears an "Appeasement" Policy in the Balkans.

DIVISION OF EUROPEAN AFFAIRS
FEB 6 1939
DEPARTMENT OF STATE

ADVISER ... MR. DUNN
JAN 10 1939
DEPARTMENT OF STATE

DEPARTMENT OF STATE
JAN 1 1939
DIVISION OF NEAR EASTERN AFFAIRS

RECEIVED
DEPARTMENT OF STATE
1939 JAN 3 PM 2 38
DIVISION OF COMMUNICATIONS

FOR DISTRIBUTION CHECK
To the Field

768.74 / 354

The Honorable

The Secretary of State,

Washington.

DEPARTMENT OF STATE
JAN 13 1939
ASSISTANT SECRETARY OF STATE

Sir:

867.001 ataturk/79

I have the honor to refer to my despatch No. 2589 of November 28, 1938, and particularly to the latter part thereof, reporting the strong anti-revisionist statement made by Prime Minister Metaxas on November 26, 1938, following his return from Ankara, where he had attended the funeral of Ataturk and consulted on foreign policy with the new leaders of Turkey.

FILED
FEB 7 1939

Information now available indicates that the rumors of "revived Bulgarian territorial pretensions" attending the issuance of this statement did not just issue from

the

the fertile imagination of local gossips, but were based upon the recent irredentist meetings and demonstrations in Bulgaria. It appears that the Metaxas declarations were aimed directly at these manifestations, which were due to culminate on November 27th, the anniversary of the signing of the Treaty of Neuilly, and were intended as a warning to the Bulgarian Government not to let this movement get out of control.

The absence of any reports on these demonstrations or on other developments abroad in the controlled Greek press only serves abnormally to stimulate and exaggerate public apprehension. Illustrative of this is a fantastic article printed in a four-page opposition periodical, entitled "The Battle", which has just appeared in Athens, despite the great danger which its clandestine publishers run. It asserts that the recent comings and goings of the rulers of the other Balkan States, and particularly the meeting of King Carol and Prince Regent Paul of Yugoslavia at Bucharest, have led to a decision, in which Greece was not consulted, to make territorial concessions to Bulgaria, in the spirit of the Munich settlement (and presumably to forestall the development of German-supported demands). The article charges that this transaction would be effected principally at the expense of Greece, which would be called upon to give Bulgaria an outlet to the Aegean via Alexandroupolis, through an area in which there is no Bulgarian minority, while Yugoslavia and Rumania would cede only slices of Macedonia and the Dobrudja which are almost entirely

inhabited

inhabited by Bulgarians. The frontiers would then be considered definitive and would be accepted by Bulgaria, which would enter the Balkan Entente. The pill would be sugar-coated for the Greek people by a large British loan to Greece, arrangements for which explain the King's protracted stay in London.

Another story, more easily credible, has been going the rounds of the cafés and salons, to the effect that Turkey, loyally and very cleverly, intervened in favor of Greece during these Bulgarian demonstrations by making it known in Bulgaria that if there is any question of a cession of Thracian territory, then it must in justice be given to Turkey and not to Bulgaria, because the area was really taken from Turkey, and because the Turkish minority far exceeds the Slav minority in Thrace.

Both of these stories should clearly be taken with a liberal seasoning of salt. But whether true or not, the fact which clearly emerges is that Greece is convinced that Turkey has no territorial ambitions at her expense, while, on the other hand, she has her fingers crossed about her other neighbors, allies or not. The extent to which Turkey is Greece's hope and reliance today becomes more evident with every turn of the political kaleidoscope. Without Turkish support, she would indeed be isolated, surrounded by potential enemies.

I should add that I have been told by persons close to the Dictator, that he did in fact receive

satisfying

satisfying reassurances at Ankara that there would be no weakening of the Turko-Greek alliance.

Respectfully yours,

Harold Shantz

Harold Shantz,
Chargé d'Affaires a.i.

File No. 710.

FDK/pe

LEGATION OF THE
UNITED STATES OF AMERICA

Athens, December 16, 1938.

No. 2611.

Subject: Greece and Balkan "Appeasement".

DIVISION OF EUROPEAN AFFAIRS
JAN 23 1939
DEPARTMENT OF STATE

DEPARTMENT OF STATE
JAN 23 1939
DIVISION OF NEAR EASTERN AFFAIRS

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DEPARTMENT OF STATE
1939 JAN 12 PM 1 33

DIVISION OF COMMUNICATIONS AND RECORDS

ADVISER ON POLITICAL RELATIONS
MR. DUNN
JAN 20 1939
DEPARTMENT OF STATE

DEPARTMENT OF STATE
JAN 25 1939
ASSISTANT SECRETARY OF STATE

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my despatch No. 2600 of December 9, 1938, concerning Greek apprehension of an extension of the "appeasement" policy to the Balkans, and reporting particularly the increasingly exaggerated rumors that the Metaxas Government would be forced to consent to some territorial adjustment as the price of a British loan.

In this connection, I have to report that the Premier has now issued an indignant denial of these

rumors

rumors, with which he combined a vicious attack on those responsible for their invention and circulation. Speaking on December 13th to a delegation of the Second National Congress of Tobacco Workers at Athens, he said, in part (as translated from the Messager d'Athènes):

> (I want) to draw your attention to certain rumors and stories which are being artfully circulated, particularly in the circles of good--let us call it that--Athenian society. They say that Greece would let itself consent to concessions toward foreign States of such a kind as to affect our national integrity, our national status quo.
>
> Besides the fact that such a question has never been raised, that it has never existed, I cut off these café gossips several weeks ago by official declarations. The rumors have been denied by the facts themselves. Nevertheless persons having reason to react against the present situation are continuing their stubborn and infernal work not in prejudice of national interests, for these earthworms have not and will not have the strength to harm national interests, but in showing rotten spots in Greek society and especially in what is called the higher class.
>
> But as I told you, the laboring and farming world, the workers of the cities, you are far from rumors of this kind. The only ones who continue this ignoble play are the drones, who spend their lives doing nothing but exploiting the labor of others. And these drones, because they see today that they can no longer continue that exploitation, full of jealousy of those who work, and hating the progress of the country, are trying by these stories to sow uneasiness, thinking thus to weaken the foundation and existence of the fatherland.
>
> But everyone may be sure that I keep as close watch in the interior of the country as abroad. And you should not be surprised if, one day, you see measures of exceptional severity taken against these wretches. I intend to strike indifferently those whose foul and malicious imaginations create the ill-advised lies which I just mentioned and those who are or pretend to be naïve and who, in their foolishness and stupidity, repeat those lies.

I am

I am informed, however, that after making this declaration, the text of which was delivered to the press and featured in all newspapers of December 14, 1938, Mr. Metaxas retained the officers of the Tobacco Congress for about an hour, discussing various matters. During this talk, he is alleged by one of the participants to have said that "the whole truth is that the British Government made an inquiry--a simple inquiry and nothing more--as to whether Greece would be willing to give Bulgaria an outlet onto the Aegean at Alexandroupolis, with a view to satisfying her and bringing her into a united Balkan front against German penetration into this area. We replied that we would not and could not cede one square millimeter of our territory. And, when we said 'no' to this inquiry, that was the end of the matter".

Perhaps Mr. Metaxas's "no" does settle the matter, but people who are aware of the British Government's interest in getting Bulgaria into the Balkan Entente are inclined to believe that we have not seen the end of it so soon. Their view seems to get a certain amount of indirect support from a telegraphic report from London appearing in most Greek newspapers today, summarizing a special article written by Mr. Winston Churchill for the London DAILY TELEGRAPH. I translate from the Revue de la Presse Athénienne of December 16, 1938:

> Mr. Churchill, analyzing the European situation after Munich, asks if the Balkan countries can unite for their self-preservation.
>
> Praising

Praising the constructive accomplishments of Kemal Ataturk and the Greco-Turkish reconciliation, as well as the admirable exploit of the Greek people in absorbing two million refugees, he adds that Greece and Turkey are both animated by the most friendly feeling for England. No conflict of interests exists, he says, between the greatest Mediterranean power and these two guardians of the Aegean. It is of the greatest interest of England to aid in increasing the trade, the prosperity and the economic credit of Greece and Turkey. Following the loans granted to Turkey, there is reason to believe that the means will be found to encourage Greek trade and in a more general way to aid the Greek people, with whom British relations date far back and have been eminently satisfactory.

Referring later to the relations of the Balkan Entente and Bulgaria, he writes that a great forward step was taken with the Salonika Pact, which unites Bulgaria with her sister States of the Balkan Peninsula. All these countries will be safe if they cooperate in forming a bloc of peaceful but well-armed States.

At the moment the matter rests in abeyance, and the rumors seem to be on the wane, as opposition criticism turns to the Metaxist youth movement and the people's interest to the approaching holidays. Furthermore, the Safety Police have just scored heavily by locating and arresting the "communist" publishers of "The Battle" and other clandestine publications, and destroying their presses; and it has been officially announced that the King, whose absence gave currency to rumors that British pressure was being applied, is returning to Athens on Christmas Eve.

Respectfully yours,

Harold Shantz

Harold Shantz,
Chargé d'Affaires a.i.

File No. 710.

FDK/pe

A-M
PA/D
AC

ASSISTANT SECRETARY OF STATE
MR. MESSERSMITH

3

RECEIVED
DEPARTMENT OF STATE
1939 JAN 27 PM 12 18

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

ADVISER ON POLITICAL RELATIONS
MR. DUNN
JAN 20 1939
DEPARTMENT OF STATE

January 18, 1939.

U - Mr. Welles:
A-M - Mr. Messersmith:
PA/D - Mr. Dunn.

DIVISION OF COMMUNICATIONS AND RECORDS

UNDER SECRETARY OF STATE
JAN 18 1939
MR. WELLES

FW 768.74/355

Since the Munich conference of last September there have been persistent rumors that Great Britain has been exerting pressure on Greece to grant to Bulgaria a port on the Aegean Sea. The accompanying despatch reports that Metaxas, the Greek Premier, has bitterly denounced rumors that Greece would agree to the alienation of any Greek territory.

It is of interest to note, however, that Metaxas is said to have admitted that Great Britain has broached the subject to Greece. Metaxas is alleged to have said that "the whole truth is that the British Government made an inquiry -- a simple inquiry and nothing more -- as to whether Greece would be willing to give Bulgaria an outlet on the Aegean at Alexandroupolis, with a view to satisfying her and bringing her into a united Balkan front against German penetration into this area. We replied that we would not and could not cede one square millimeter of our territory. And when we said 'no' to this inquiry, that was the end of the matter."

Metaxas is strongly pro-German, having been educated in that country, and is furthermore an ardent admirer of the

present

present German chancellor. There are indications that in the event of a European war, Greece would be in a similar position to that in which she found herself at the outbreak of the World War, with a Government pro-German in sympathies, but with national interests served better by the aims of the Western Powers.

Wallace Murray

NE:GVA/GC

768.74/355

DOCUMENT FILE

NOTE

SEE 874.20/141 FOR #187

FROM Bulgaria (Athrton) DATED Dec. 7, 1938

TO NAME 1—1127 GPO

REGARDING: Communique issued announcing that the British Government and the Dominions renounce the application of the military clauses of the Treaty of Neuilly and the Convention concerning the frontiers of Thrace. Copy in translation of the -.

ge

768.74/356

768.74/357

DOCUMENT FILE

NOTE

SEE 774.00/95 FOR Tel#23 3 p.m.

FROM Bulgaria (Millard) DATED April 21, 1939

NAME

1—1127 GPO

REGARDING:

Bulgaria's claims for frontier settlement must include an outlet to the Aegean before the question can be considered sufficient. Statement to the Parliament by the Prime Minister regarding -.

ml

DOCUMENT FILE

NOTE

SEE 740.00/1171 FOR Tel. #68, 5 p.m.

FROM Greece (MacVeagh) DATED Apr. 26, 1939
TO NAME

1—1127 GPO

REGARDING: Greek opposition to Bulgarian revisionism;

In press interview yesterday the Prime Minister reiterated-

mb

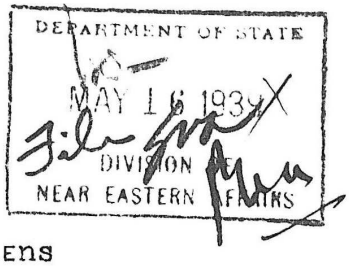
768.74/358

768.74

TELEGRAM RECEIVED

1—1336

FROM

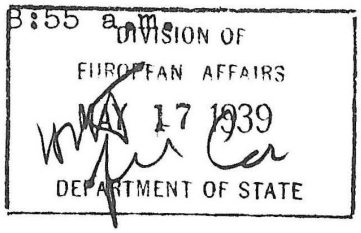


JR
This telegram must be closely paraphrased before being communicated to anyone. (B)

Athens

Dated May 16, 1939

Rec'd 8:55 a.m.



Secretary of State,

Washington.

85, May 16, 11 a.m.

Foreign press reports of recent incidents on Bulgarian and Albanian borders appear greatly exaggerated, if not wholly unfounded. The Greek Government is firm in its denials and is allowing the King to visit ~~Thrace~~ THRACE this week. He leaves today and tells me he plans a personal tour of the new fortified line.

MACVEAGH

KLP

768.74/359

NM

LEGATION OF THE
UNITED STATES OF AMERICA

Athens, May 27, 1939.

No. 3070.

Subject: The King Visits the Northern Border.

RECEIVED
DEPARTMENT OF STATE
1939 JUN 13 PM 3 46

DIVISION OF
COMMUNICATIONS
AND RECORDS

ADVISER ON POLITICAL RELATIONS
MR. DUNN
JUN 17 1939
DEPARTMENT OF STATE

DEPARTMENT OF STATE
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DIVISION OF
NEAR EASTERN AFFAIRS

DEPARTMENT OF STATE
A-M-C
ASSISTANT SECRETARY
OF STATE

768.74/360

The Honorable

The Secretary of State,

Washington.

Sir:

768.74/359

In reference to my telegram No. 85 of May 16, 11 a.m., I have the honor to report that King George II spent last week in a personal tour of Eastern Thrace and Western Macedonia, visiting the cities of Alexandroupolis, Comotini, Xanthi, Drama, and Salonika, as well as the Turkish border and the fortifications on the Bulgarian frontier. A detailed report of his tour is provided in Confidential Political Notes No. 66 of May 23, 1939, by the American Consul at Salonika, forwarded in the same pouch as this despatch.

In

In distant Thrace, where defense problems bulk specially large and the scanty population is predominantly refugee and foreign, His Majesty seems to have been received with some genuine enthusiasm, in recognition of his interest in the army and the liberal views which he personally entertains in contrast with the Dictator. In larger and more populous Macedonia, however, which is nearer to the seat of Government and where hopes of His Majesty's really doing something to liberalize the régime no longer flourish, his reception was more than usually apathetic. Perhaps stimulated by the reaction in Thrace, His Majesty displayed on his whole trip an independence and boyish spirit of "getting about on his own" which, if indulged in more frequently, might go far toward winning the popularity which his commonly grim and forbidding appearance in public has so far denied him. But the most important immediate result of his tour is likely to be increased activity in the elaboration of the military defense system in the north, since he appears to have been far from satisfied with what he saw, either as to the readiness of the field works or the adequacy of the communications.

Rumors current in opposition circles have, of course, associated the King's absence with the visit of Sir Frederick Leith Ross to Athens which took place at the same time (see 868.51/1569
my despatch No. 3057 of May 23, 1939). It is said that Mr. Metaxas sent His Majesty off to Thrace in order that he might not again be subjected to British pressure in regard to liberalizing the Government, and it is pointed out that

during

during the week in question Lord Lloyd, the President of the British Council, who is supposed some time ago to have applied such pressure, paid a flying visit of 24 hours to this city only to find the King away. Alternatively, it is said that the King himself chose this moment for his trip so that he might escape embarrassing conversations. One can take one's choice. But since I know personally that the King planned his tour before it was known when Sir Frederick, who had first to finish his conversations in Rumania, could reach Athens, I would choose neither, but rather continue to regard the real reason for his going as the simple one of looking to the state of his defenses in a critical region at an appropriate time. The visit of Lord Lloyd seems to have been connected with the affairs of the Anglo-Hellenic League, a propaganda agency financed by the British Council.

Respectfully yours,

Lincoln MacVeagh

Lincoln MacVeagh.

File No. 800.

LMacV/jr

copy with note

Central File: Decimal File 768.74, Political Relations Of States, Relations; Bi-Lateral Treaties., Greece And Bulgaria, January 5, 1930 - May 27, 1939. January 5, 1930 - May 27, 1939. MS Turkey, Greece, and the Balkan States: Records of the U.S. Department of State, 1930-1944: Records of the Department of State Relating to Political Relations of Turkey, Greece, and the Balkan States, 1930-1939. National Archives (United States). Archives Unbound, link.gale.com%2Fapps%2Fdoc%2FSC5111391350%2FGDSC%3Fu%3Domni%26sid%3Dbookmark-GDSC. Accessed 21 June 2025.